Work-poor and work-rich families: Influence on youth labour market outcomes

STRATEGIC TRANSITIONS FOR YOUTH LABOUR IN EUROPE

D 8.1 Work-poor and work-rich families:
Influence on youth labour market outcomes

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i) to 'advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and their transition to economic and social independence', and

ii) to engage with 'relevant communities, stakeholders and practitioners in the research with a view to supporting employment policies in Europe.' Contributions to a dialogue about these results can be made through the project website www.style-research.eu, or by following us on twitter @STYLEEU.

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Executive Summary

This working paper sets out to examine trends in the distribution of work between households and how this affects the employment likelihood of young people in Europe. A significant body of literature has indicated the growth of work-poor and work-rich households. These are households where either nobody is in employment in contrast to households were at least two people, usually the parents, are both working. The central policy concern about this observable trend since the 1990s is to develop policies to reduce the number of households were no one is working. Concern with this development is due to the consequences and legacies of intergenerational transmission of the disadvantages associated with unemployment alongside the increased risks faced by children living in poverty. The causes of these family legacies has been contested between those who claim that this is a product of 'cultures of dependency' in contrast to those who attribute this phenomena to structural explanations such as the educational background of the parents or these households being located in areas of regional deprivation with high levels of unemployment. This research paper sets out to map these trends across Europe in recent years, before and after the financial crisis, in order to provide a background to these debates.

This paper provides an initial summary of several pieces of research conducted by the partners in work package 8 Task 1, and is organised in the following way.

- First, we briefly outline the theoretical debates accounting for generations of work-poor households and the policy implications from these different approaches for young people;
- Second, we compare the distribution of these trends across Europe using the EU-SILC data;
- Third, we examine the longer term family legacies of coming from different households and how these are associated with labour market outcomes for young people in Europe;
- Fourth, we compare the impact of both parents and other siblings on the transitions around employment drawing on EU-SILC data and SHARE data;
- Fifth, we examine the macro context and the effect of unemployment and housing benefits on youth employment trajectories;
- Sixth, we focus on gender, ethnic and age differences in the context of the UK which has historically had high levels of jobless households;
- We conclude by summarising the key findings and suggesting how these might inform policy concerns arising from this analysis.

Key words:

Households; youth employment; work-poor; work-rich; joblessness; EU-SILC; SHARE; UKHLS.

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Abbreviations

ALMP	Active Labour Market Policy/Policies
AT	Austria
BE	Belgium
BG	Bulgaria
BME	Black and Minority Ethnic
CH	Switzerland
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EC	European Commission
EE	Estonia
EPL	Employment Protection Legislation
ES	Spain
ESF	European Social Fund
EU	European Union
EU-LFS	European Union- Labour Force Survey
EU-SILC	European Union Survey on Income and Living Conditions
FI	Finland
FR	France
GR	Greece
HU	Hungary
IE	Ireland
ILO	International Labour Office
IS	Iceland
ISCED	International Standard Classification of Education
IT	Italy
LFS	Labour Force Survey
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NEET	Not in Employment, Education or Training
NGO	Non-Governmental Organisation
NL	Netherlands
NO	Norway
OECD	Organisation for Economic Cooperation and Development
OLS	Ordinary Least Squares
ONS	Office for National Statistics
PL	Poland
PT	Portugal

RO	Romania
SE	Sweden
SHARE	Survey of Health, Ageing and Retirement in Europe
SI	Slovenia
SK	Slovakia
SOC	Standard Occupational Classification
STW	School to Work
UK	United Kingdom
VET	Vocational Education and Training

1. Introduction

1.1 The rise in work-poor households

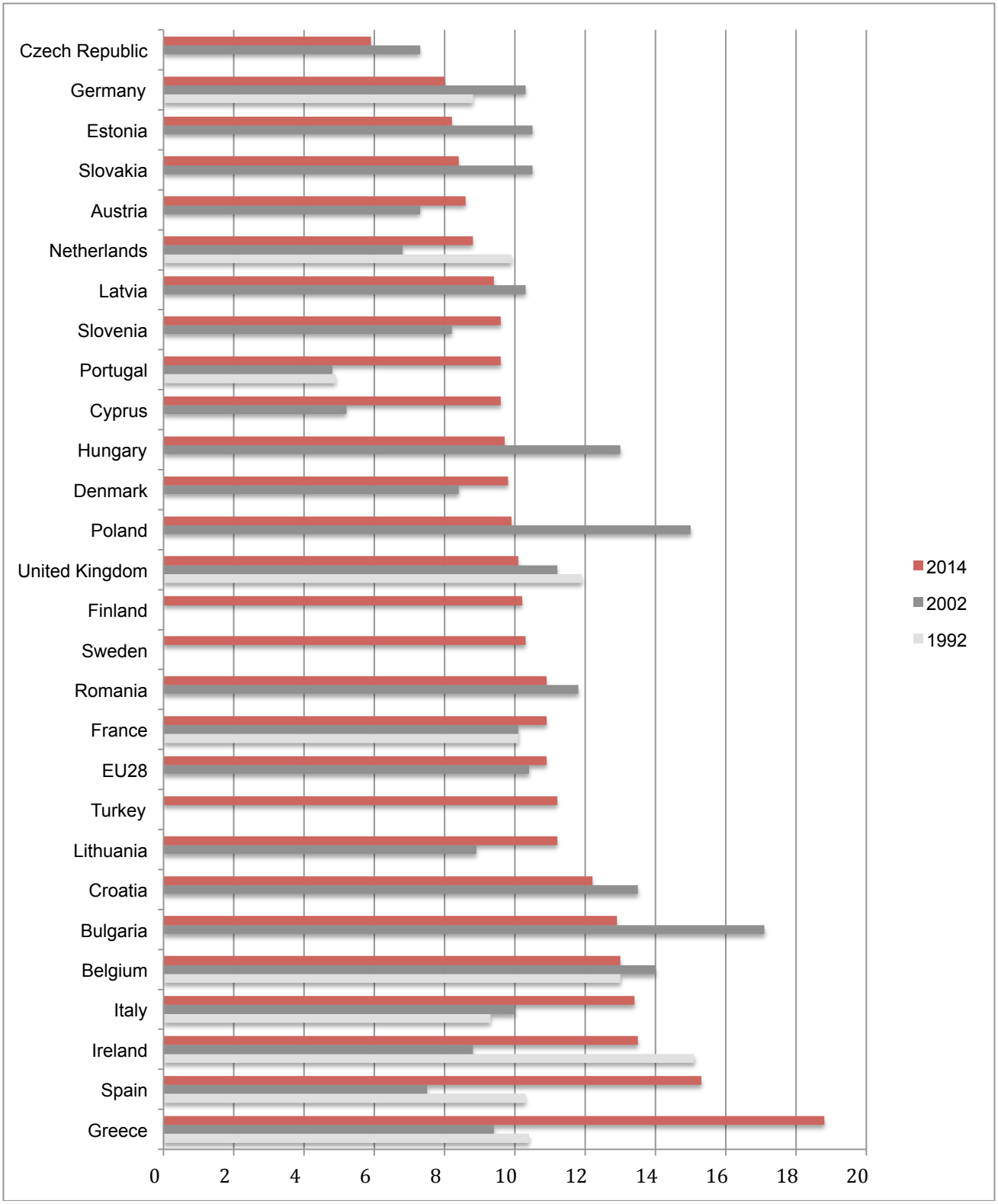
For some young people, unemployment is a frictional experience; for others, long-term exposure is part of a generational legacy (Martin, 2012). These legacies are in part a result of demographic changes, the expansion of higher education and structural economic adjustment since the late 1970s, resulting from the large-scale displacement of the traditional manufacturing employment in certain parts of Europe. The experience of the parents of today's children shapes the opportunities of young people through the transmission of resources and cultural capital (Warmuth et al. 2014). We know from social mobility research that parental unemployment can become an "unintended" legacy for their own children, depending on where they live and how the economy around them has changed in recent decades (Ekhaugen, 2009; Headey & Verick, 2006; MacDonald et al. 2013; Macmillan, 2014).

The phenomenon of a growing trend and polarisation between 'work-poor' and 'work-rich' households was brought to the attention of policy makers in the mid-1990s. Gregg and Wadsworth (1994, 1996a, 1996b) showed that while unemployment tended to be constant in the previous 20 years (albeit despite economic cycles), the number of jobless households had tended to increase. This phenomenon varied in intensity across Europe: Ireland, the UK and Spain had over 10 per cent of households where no one was working, while these work-poor households were well below 10% in Portugal, western Germany, Italy and the Netherlands in the 1990s (Anxo and O'Reilly 2001). A range of policies in the 1990s reduced the proportion of workless households; however, since the economic crisis of 2007-8, the proportions of work-poor households are beginning to rise again and are expected to increase even further (Gregg, Scutella, & Wadsworth, 2010).

The EU countries with the highest rates of jobless households in 2014 were those most dramatically affected by the economic crisis (Table 1.1). Spain Greece and Italy had a household jobless rate of around 10% in 1992; this has increased of over 18% in Greece by 2014. Ireland has had a long-term high level of jobless households, even in the 1990s. Although this decreased significantly by 2002 it has since risen to very high levels, with some indication that this is currently falling slowly, but not as fast as the fall in overall unemployment (Watson et al. 2015). Even in countries with lower levels of household joblessness, such as Germany, the rates reached over 10% in 2002 and have since fallen to just over 8%. Despite some degree of fluctuation between years, clearly related to variations in the economic cycle affecting countries at different times, there is still across most of the EU a core of on average 10% of households where no one is working.

This trend in the growth of jobless households co-existed with an increase in households with two working parents. Many commentators have evidenced the decline of the traditional 'male breadwinner' household model (Crompton 1999), alongside a rise in non-traditional and single parent families. The unequal distribution of paid work across these different households types not only illustrated growing levels of inequality, but also the potential exacerbation and extension of these inequalities for younger generations (Atkinson 2015).

Table 1.1 People (18-59) living in jobless households (% of all households)



Source: Eurostat: table [lfsi_jhh_a] at
http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_jhh_a&lang=en

1.2 Why focus on household joblessness?

This body of research evidence made the point of arguing that to understand individual employment trajectories it was necessary to understand how their household context impinged or facilitated the way different members of the household participated in employment. Watson et al. (2015:4-5) in a recent Irish study argue that:

> 'Household joblessness adds value to our understanding of social exclusion because (a) it takes account of adult joblessness in the context of the activity status of other adults in the household and (b) it takes account of non-employed statuses other than unemployment, such as caring, home duties and being unable to work due to illness and disability. It is particularly relevant from a policy perspective, because jobless households are highly dependent on social transfers: in 2011, 85 per cent of their income came from social transfers.' [in Ireland]

Earlier work, based on qualitative research in the UK, from Lydia Morris (1990) shed light on households' decision making when faced with the long or short term expectations of male unemployment: where the expectations were that the father would soon find work, the mother remained in employment. However, where the expectations were that the father was unlikely to find paid work in the long-term, the mother had a higher risk of giving up their employment. Long-term male unemployment was more likely to lead to households becoming 'work-poor' in the 1990s. This pattern was in part due to the low maternal income being inadequate to compensate for the loss of the male wage, as well as benefit sanctions where other paid sources of income existed in the household. For contemporary organisations working with young people trying to find employment, they have found that having non-employed parents can affect their capacity to help some young people to move into paid work.[1] One impact of these findings is that household worklessness has become part of the statistical measures used by governments and supranational organisations, such as the European Union (Franco and Winqvist 2002). Since many benefits are family-based, this measure has added a more complete picture regarding non-employment (which is more often explored at the individual level) and, hence, improved our knowledge to inform policy measures to tackle it.

1.3 Contested interpretations of the evidence

However, the interpretation of this evidence is contested. Some studies have been devoted to exploring the causes of work polarization across households (Gregg, Hansen, and Wadsworth 1999, Gregg, Scutella, and Wadsworth 2010, Gregg and Wadsworth 2001, 2003, 1994, 1996a, 1996b). Other studies have explored the link between worklessness and poverty (de Graaf-Zijl and Nolan 2011, Department for Work and Pensions 2010a, Nickell 2004, Crisp et al. 2009, Holden and Frankal 2012), as well as the strong spatial imprint of this link (Holden and Frankal 2012, Beatty and Fothergill 2011), and its connections with ethnicity (Platt 2010, 2009). But most importantly for our research interests, a large amount of studies have tried to elucidate whether there is an intergenerational transmission of worklessness from parents to children and the mechanisms behind it (Gregg, Macmillan, and Vittori 2014, Macmillan 2013, Macmillan 2014, 2010, 2011, Barnes et al. 2012,

[1] This was an observation communicated at the STYLE kick off meeting in Brighton by the organisation Tomorrow's People http://www.style-research.eu/events/style-kick-off-meeting-podcasts/

Ermisch, Francesconi, and Pevalin 2004, O'Neill and Sweetman 1998, Schoon 2014). In general, these studies find that having grown up in a family experiencing unemployment often has negative consequences for young people looking for work today.

An attempt has also been made to disentangle whether there is a 'culture of worklessness' where inter-generational unemployment produces poor role models in terms of employment and leads to the transmission of attitudes accepting welfare dependency as normal (Mead, 1986; Wilson, 1987). Policy approaches developed from such understandings focus on addressing the 'deficit' in attitudinal and behavioural patterns of people without work. However, Gallie (1994) found no evidence of distinctively different attitudes among the unemployed. MacDonald et al. (2013 and 2014) argue that the claims about the pervasiveness and persistence of joblessness in households and communities is exaggerated and distorted for political ends, in particular by the popular media, without denying that some families experience very severe levels of deprivation across generations.

Alternative interpretations that have criticised cultural accounts argue that they fail to adequately acknowledge the role of structural economic inequalities (Bynner, 2005). In the United Kingdom, Macmillan (2014) highlights the role of high unemployment in the local labour markets in accounting for shared risks of parents and children. Parental education has an effect on youth labour market transitions and this effect is increasing over time, contributing to growing levels of inequalities amongst young people (Hadjivassiliou et al. 2015). Other studies have shown that family heterogeneity, such as parental education, household income, and nationality, account for almost half of the inter-generational correlation in employment in Norwegian families, while unobserved family fixed effects (i.e., other factors that are not explained by the above mentioned characteristics) "accounted" for the remaining differences (Ekhaugen, 2009).

In sum, the existing body of research has identified the growing significance of the rise in work-poor households and the consequences this has for youth transitions. Some of this debate has been polarized between identifying different explanations for the same phenomenon: Is the persistence of inter-generational legacies of unemployment due to (a) transmission of attitudinal differences, (b) regional disparities in available jobs, (c) the effects of the benefits system if young people are to take up paid work, while still living at home with their parents who may be reliant on benefits, or (d) differences in the cultural and social capital of their parents and how their close social networks transmit this to their children, for example evidenced in educational advantages or deficits? Depending on which of these factors is given prominence in interpretation of the evidence, it has significant consequences for the types of policies that are developed to address this problem. Disentangling these factors is a research priority that this paper begins to address. We are not able to address all these possible explanations in this report; here we focus on mapping the significance of this trend across European countries for different categories of youth; its prevalence and how this has changed in recent years. We identify the influence of differential parental legacies, those of close family networks and the housing and benefit system on the labour market trajectories of young people in Europe.

1.4 Aims and organisation of this report

This report maps the role of family employment structures on young peoples' labour market trajectories in Europe. We highlight differences between work-rich and work-poor households taking account of country differences at the European level, as well focussing on gender and ethnic differences in the UK. This report is organised as follows:

1. We map and compare the household employment structure for young people (16-24) living in with their parents in 2005 and in 2011 and their own labour market status using EU-SILC data in chapter 2.

2. We examine the longer term legacies of parental employment status for an older youth cohort (aged 25-34) in 2005 and 2011 using EU-SILC data in chapter 3.

3. Taking a wider perspective on the influence of working siblings' on young people's trajectories between 2008-2011 using SHARE data is the focus of chapter 4.

4. Comparing cross-national differences in housing allowances and welfare benefits, as mediated by households' work intensity, on young's people employment status is explored in chapter 5.

5. Turning to understand how household effects and youth trajectories are mediated by differences in age, ethnicity and gender we focus on the UK case in chapter 6.

6. The report concludes by summing up the key findings and their policy implications.

2. Households and youth employment

Gabriella Berloffa, Eleonora Matteazzi and Paola Villa

2.1 Data definitions and limitations

The Eurostat definition of employment based on working at least one-hour-per-week is limited to half of the countries in the EU-SILC. Therefore, we use the **self-reported economic status** at the time of the interview to identify employed individuals, and combine this information with variables indicating job-search behaviour to identify unemployed individuals. We use the following definitions:

- **employed**: those who declare to be currently employed or self-employed (both full- or part-time);

- **unemployed**: those who report they are not currently employed, but are looking for a job and are available for work;

- **in education**: those who say they are in education/training/unpaid work experience, not looking for a job, or looking for a job but not available to start a job;

- **inactive**: those who report they are not currently employed or in education/training, not searching, or searching but are not available to take up a job. In some of the following chapters we present results for NEETs (i.e. individuals not in employment or in education); this category encompasses inactive and unemployed individuals.

Employment rates, based on self-reported current employment status, are clearly different from those based on the one-hour-work definition. Comparing employment rates for the age group 16-29 based on EU-SILC data with the official Eurostat definition, Berloffa and Matteazzi (2015) show that the former are generally, but not always, underestimated (especially for the age-group 20-29). Underestimation is quite large for Nordic countries continental countries with a dual-education system (AT, CH, DE). Even using the 'one-hour of work' definition, employment rates for individuals aged 20-29 remain significantly under-estimated with EU-SILC data for five countries (AT, EL, ES, HU, IE).

Unemployment ratios, instead, are quite similar to those based on LFS data. They are overestimated for about half of the countries in the age group 16-29, but the difference exceeds two percentage points for five countries (AT, EL, ES, HU, IE). For the remaining countries, the unemployment shares are either equal or slightly underestimated (this underestimation exceeds two percentage points only for two countries (FI, NL)).

The general underestimation of employment rates results in **unemployment rates** being overestimated for about 70% of countries. For this reason, we prefer to consider **employment status** or **ratios**, rather than focussing on unemployment rates (see O'Reilly et al. 2015 for an explanation of these different measures). Furthermore, when interpreting our results, it is important to keep in mind that, in some countries, a large share of young people combine education with other activities, either over several months (e.g. 'temporary/seasonal' work experiences) or regularly during the year

(Beblavý et al. 2015). Here we use the individual's self-reported employment status and not the more general participation to the labour market based on the 'one-hour work' definition.

Concerning the current employment status of the different family members the EU-SILC provides this for young people living with their parents. For those who have left, we can obtain some information about the parental working conditions (when the individual was 14) through the 2005 and 2011 ad-hoc modules (intergenerational transmission of disadvantages). However, this information is only available for people older than 24, and cannot be linked to the longitudinal dataset. For youth (16-24) we can only examine the effect of the household employment structures for those living with their parents, or family of origin. This generates a selection problem because the household's employment structure may be correlated with other factors shaping their decisions about living arrangements.[2]

2.2 Family employment structures & youth labour market status

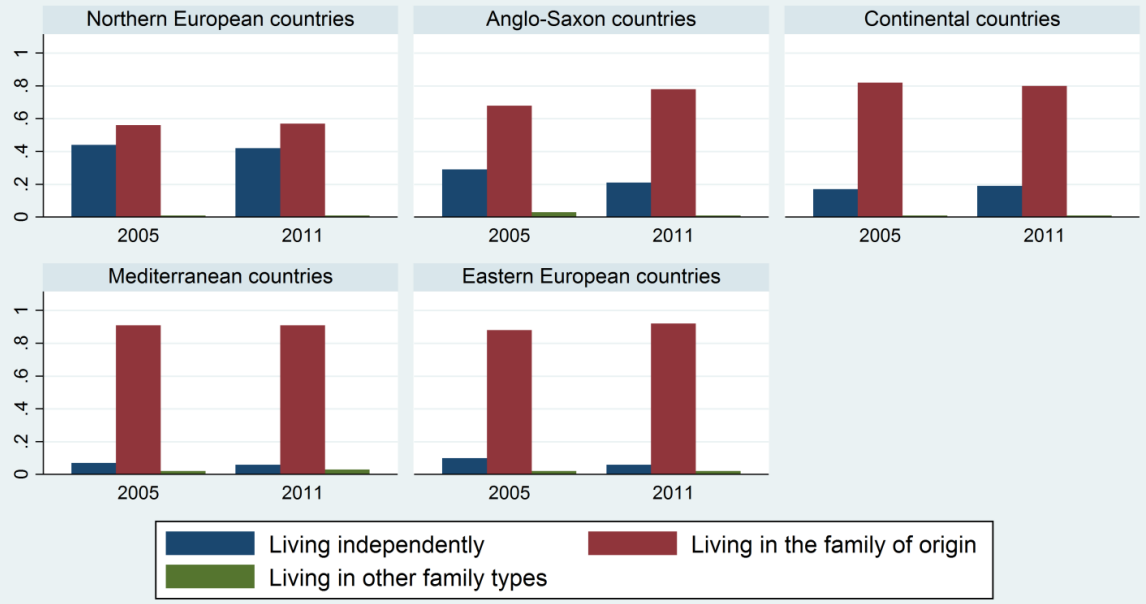
2.2.1 Living independently or with their parents?

It is well known that the median age of leaving the parental home varies significantly across Europe (Thévenon, 2015). Figure 2.1a presents the distribution of young people (16-24) by family type and groups of countries (individual country breakdowns are reported in Table 2.1). Southern and Eastern Europe have the highest rates of young people (16-24) living with their parents: over 90%, compared to just over 50% in Northern Europe. Anglo-Saxon and Continental countries also have high proportions at around 80% of young people living at home. Since the economic crisis this increased in the UK and Ireland as can be seen from the 2011 data.[3] For the 25-34 age group more than 80% of individuals live independently in all country-groups, except for the Mediterranean and Eastern countries, which still have a higher proportion of adult young people living in the parental home (see Figure 2.1b). Since the economic crisis the proportion of young people living at home has increased in Anglo-Saxon and Eastern European countries (Table 2.1). We focus on transitions patterns for this older age group in chapter 3 of this report.

[2] We reduce the potential biases by carrying out separate estimations for country groups with different shares of young people living in the family of origin. We will have a more precise idea of this type of selection problem when also the analysis of Task 3 in this Work Package will be completed.

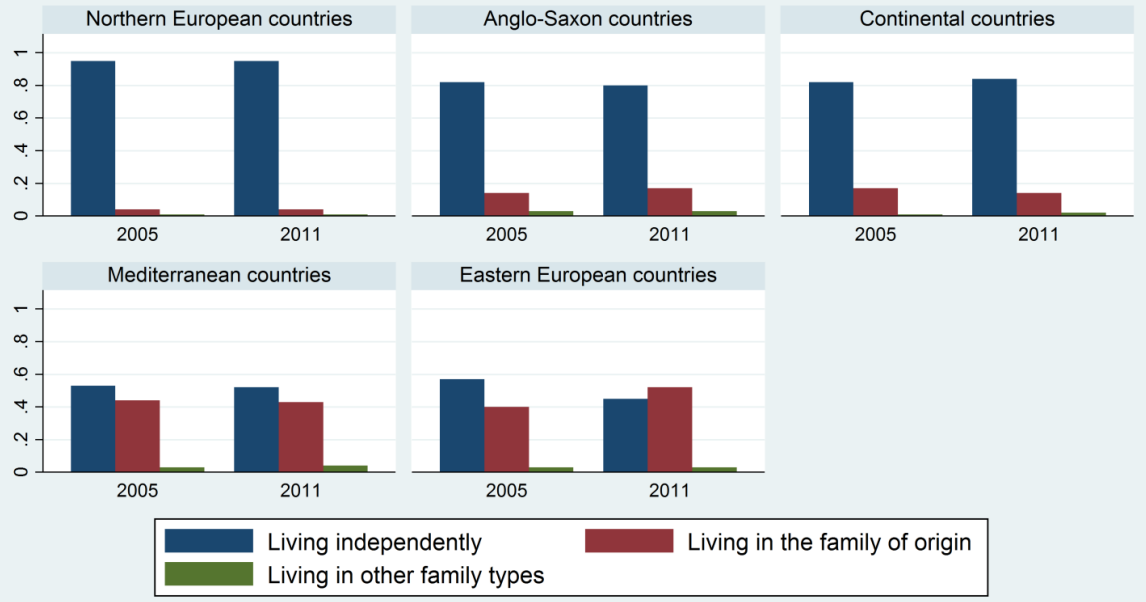
[3] Two aspects are worth noting. First, it is not clear how much these differences are influenced by the type of sampling procedure used to gather EU-SILC data in the various countries. Indeed, in all Nordic countries, except for Finland, an individual sampling design is adopted, and this could overstate the difference between countries in terms of young people living independently. Second, the vast majority of households for individuals living with their family of origin is formed by only one family (i.e. the household is formed by a pair of parents and their children). Multi-family households are present (in small numbers) only in some Eastern European countries.

Figure 2.1a The distribution of young people (16-24) by family type, group of countries and year.



2005 and 2011 waves of EU-SILC

Figure 2.1b The distribution of young people (25-34) by family type, group of countries and year



2005 and 2011 waves of EU-SILC

Table 2.1.The distribution of young people by family type and EU countries (EU-SILC 2005 and 2011) - 16-24 years old

	2005			2011		
	Living independently	Living in the family of origin	Living in other family types	Living independently	Living in the family of origin	Living in other family types
Northern European countries	**0.44**	**0.56**	**0.01**	**0.42**	**0.57**	**0.01**
DK	0.46	0.53	0.01	0.44	0.55	0.01
FI	0.49	0.51	0.00	0.47	0.53	0.00
NO	0.45	0.53	0.01	0.48	0.51	0.01
SE	0.39	0.61	0.00	0.37	0.62	0.01
Anglo-Saxon countries	**0.29**	**0.68**	**0.03**	**0.21**	**0.78**	**0.01**
IE	0.13	0.86	0.01	0.17	0.81	0.02
UK	0.31	0.66	0.03	0.21	0.78	0.01
Continental countries	**0.17**	**0.82**	**0.01**	**0.19**	**0.80**	**0.01**
AT	0.16	0.82	0.02	0.18	0.81	0.01
BE	0.14	0.84	0.02	0.13	0.82	0.05
CH	---	---	---	0.14	0.85	0.01
DE	0.07	0.93	0.00	0.11	0.88	0.01
FR	0.28	0.71	0.02	0.28	0.71	0.01
NL	0.24	0.76	0.00	0.31	0.69	0.01
Mediterranean countries	**0.07**	**0.91**	**0.02**	**0.06**	**0.91**	**0.03**
CY	0.07	0.92	0.01	0.05	0.93	0.01
GR	0.14	0.85	0.01	0.15	0.84	0.01
ES	0.06	0.92	0.03	0.06	0.89	0.05
IT	0.07	0.91	0.02	0.05	0.93	0.02
MT	---	---	---	0.04	0.95	0.01
PT	0.06	0.90	0.04	0.05	0.91	0.04
Eastern European countries	**0.10**	**0.88**	**0.02**	**0.06**	**0.92**	**0.02**
BG	---	---	---	0.03	0.93	0.04
CZ	0.11	0.87	0.03	0.10	0.90	0.01
EE	0.16	0.82	0.02	0.17	0.79	0.04
HR	---	---	---	0.04	0.95	0.01
HU	0.14	0.84	0.02	0.08	0.91	0.02
LT	0.14	0.84	0.02	0.11	0.86	0.03
LV	0.12	0.85	0.03	0.09	0.86	0.05
PL	0.09	0.89	0.02	0.06	0.93	0.01
RO	---	---	---	0.05	0.92	0.03
SI	0.03	0.96	0.01	0.05	0.93	0.02
SK	0.05	0.95	0.01	0.02	0.98	0.01

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

2.2.2 Are their parents working?

To what extent were young unemployed people living at their parental home of origin more likely to be the children of parents who were also without work? Here we distinguished between four types of employment structure in the parental home according to the **employment status of the parents**:

a) 2-parent households where both parents work (work-rich households)

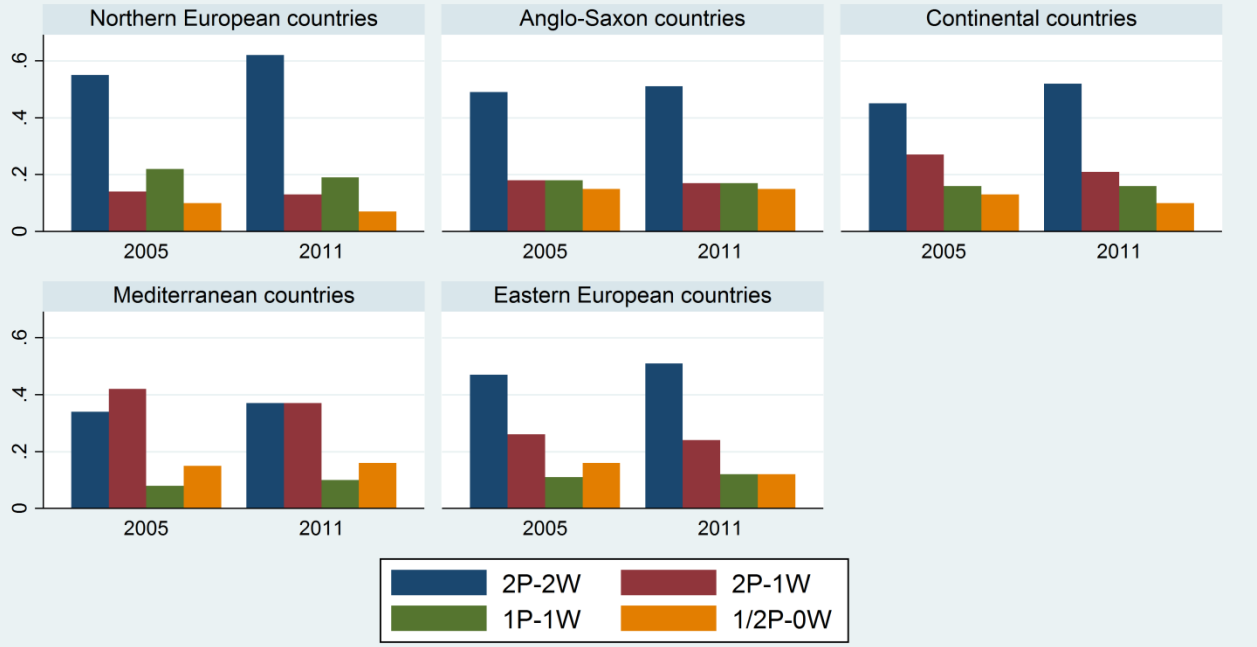
b) 2-parent households where only one parent works

c) 1-parent households where the single parent works

d) 1- or 2-parent households where none of the parents work (work-poor households).

In two parent households where only one parent works, this is usually the father (male breadwinner families); in single parent households where the parent works it is usually the mother. Figure 2.2 shows the distribution of young individuals (living in their parental home) according to the employment status of their parents for country groups; Table 2.2 shows this distribution for each country.

Figure 2.2. The distribution of young people (16-24) living in the family of origin by the employment status of parents, group of countries and years.



2005 and 2011 waves of EU-SILC

Young people (16-24) are most likely to be living in dual earner households that are the most predominant arrangements in all country types, apart from the Mediterranean countries where the traditional male breadwinner household is still very apparent. Nevertheless, this data suggests that this traditional household form is somewhat in decline in Mediterranean countries in 2011 compared to the data for 2005; this decline is been replaced by an increase in dual earners, as well as a slight increase in no earner households in the

southern countries.

The shares of young people living in work-poor parent households were similar across all groups of countries in 2005 (between 13% and 16%, with a somewhat lower proportion, 10%, in Nordic countries). Since the crisis there has been a slight increase in the differences across groups of countries: in 2011, in Northern, Continental and Eastern countries had a smaller share of young people in workless households (compared with the earlier cohort); on the contrary, in Anglo-Saxon and Mediterranean countries the share remained similar, or had increased slightly. As a result, in 2011 the share of young people living with workless parents in Anglo-Saxon and Mediterranean countries was much higher than in other country groups (around 15% overall vs. 7%-12% in the other country groups). In some countries this figure is particularly stark: for example in Ireland in 2011 27% of young people were in households with no one is working compared to 18% in 2005. Proportions are also high in Italy, Greece, Croatia and Malta, while they are negligible in northern countries.

Table 2.2.The distribution of young people living in the family of origin by the employment status of parents and EU countries, 2005-2011 - 16-24 years old

	2005				2011			
	2P-2W	2P-1W	1P-1W	1/2P-0W	2P-2W	2P-1W	1P-1W	1/2P-0W
Northern European countries	**0.55**	**0.14**	**0.22**	**0.10**	**0.62**	**0.13**	**0.19**	**0.07**
DK	0.62	0.12	0.15	0.11	0.64	0.15	0.15	0.07
FI	0.55	0.14	0.21	0.10	0.60	0.16	0.17	0.07
NO	0.61	0.15	0.18	0.07	0.61	0.12	0.21	0.06
SE	0.49	0.14	0.27	0.10	0.62	0.10	0.20	0.07
Anglo-Saxon countries	**0.49**	**0.18**	**0.18**	**0.15**	**0.51**	**0.17**	**0.17**	**0.15**
IE	0.33	0.33	0.16	0.18	0.30	0.27	0.17	0.27
UK	0.51	0.16	0.19	0.14	0.53	0.16	0.17	0.14
Continental countries	**0.45**	**0.27**	**0.16**	**0.13**	**0.52**	**0.21**	**0.16**	**0.10**
AT	0.48	0.30	0.12	0.10	0.58	0.21	0.13	0.07
BE	0.44	0.28	0.14	0.15	0.48	0.19	0.16	0.16
CH	---	---	---	---	0.49	0.24	0.19	0.08
DE	0.42	0.27	0.18	0.13	0.53	0.22	0.17	0.08
FR	0.50	0.23	0.15	0.11	0.52	0.19	0.17	0.12
NL	0.42	0.38	0.08	0.12	0.50	0.23	0.16	0.11
Mediterranean countries	**0.34**	**0.42**	**0.08**	**0.15**	**0.37**	**0.37**	**0.10**	**0.16**
CY	0.51	0.32	0.10	0.07	0.51	0.29	0.12	0.08
GR	0.38	0.39	0.09	0.14	0.38	0.38	0.04	0.20
ES	0.33	0.45	0.07	0.15	0.37	0.37	0.09	0.17
IT	0.31	0.44	0.08	0.17	0.35	0.39	0.10	0.15
MT	---	---	---	---	0.22	0.51	0.04	0.23
PT	0.50	0.28	0.11	0.10	0.42	0.31	0.14	0.13
Eastern European countries	**0.47**	**0.26**	**0.11**	**0.16**	**0.51**	**0.24**	**0.12**	**0.12**
BG	---	---	---	---	0.52	0.21	0.15	0.12
CZ	0.59	0.16	0.13	0.11	0.58	0.16	0.17	0.09
EE	0.52	0.17	0.23	0.08	0.47	0.18	0.27	0.08
HR	---	---	---	---	0.37	0.34	0.08	0.21
HU	0.46	0.23	0.19	0.13	0.47	0.21	0.15	0.17
LT	0.49	0.17	0.22	0.11	0.46	0.21	0.19	0.14
LV	0.48	0.17	0.25	0.10	0.37	0.24	0.26	0.13
PL	0.40	0.31	0.07	0.21	0.52	0.27	0.10	0.12
RO	---	---	---	---	0.51	0.27	0.10	0.12
SI	0.55	0.22	0.09	0.14	0.54	0.23	0.12	0.11
SK	0.64	0.18	0.10	0.08	0.61	0.19	0.13	0.07

Notes: 2P-2W: 2-parent households where both parents either work (work-rich parent household); 2P-1W: 2-parent households where only one parent works; 1P-1W:1-parent households where the single parent works; 1/2P-0W: 1- or 2-parent households where none of the parents work (work-poor parent household).

2.2.3 Measuring household work intensity

Since the family of origin can include other working age individuals (usually siblings) living in the same household, we also wanted to consider another classification of households based on a work intensity indicator (appropriately redefined). A household's work intensity is usually defined as the ratio between the total number of months in employment for all working-age members during the income reference year and the total number of months the same members theoretically could have worked in the same period.[4] Since we are interested in analysing the effect of the employment status of *other* household members on the young individual one, we define the **household work intensity indicator** (WI) *excluding* the young individual under consideration. For example, if the household has four working-age members, two employed full time and two unemployed for the whole year, one of which is the young individual under consideration, the WI indicator for that household would be 0.67. If instead one is employed FT, one PT, and two unemployed the indicator would be 0.5. For illustrative purposes, we aggregated the resulting indicator in four categories:

1) WI = 0	no members working, excluding the young person considered (work-poor)
2) 0< WI ≤ 0.5	the household can count on half or less than the full-time equivalent months
3) 0.5 < WI < 1	the household can count on more than half, but not all FT equivalent months
4) WI = 1	all members other than the young under consideration work FT (work rich).

This measure illustrates how individuals' living in work-poor households[5] was particularly high in Anglo-Saxon countries in 2005 (15% vs. 9-10% in other country groups). Between 2005 and 2011 this share fell by 4 percentage points, aligning the situation of Anglo-Saxon countries with that of the other country groups (Table 2.3a and Table 2.3b).

For the share of young people living in work-rich households, the differences across country groups are much larger: the share ranges from around 30% in Mediterranean, Continental and Anglo-Saxon countries, to more than 50% in Nordic countries. For the intermediate categories, in Anglo-Saxon countries there is a relatively higher share of individuals in households with high work intensity (WI), whereas in Mediterranean countries a higher share of individuals are in households with a low WI (Table 2.3a.).

Within country groups, the importance of the different household types is quite similar across countries, except for Eastern countries (Table 2.3b). A notable exception in non-Eastern countries is Ireland, where the fraction of dual-earner households (or with a WI equal to one) is more similar to Mediterranean countries than to the UK, but the proportion of lone-parent households is more in line with the UK.[6]

[4] For part-time workers, the number of months in terms of full time equivalents is estimated on the basis of the number of hours usually worked at the time of the interview. The threshold of hours used to define an individual as a full-time worker is 35 hours per week.

[5] Note that this does not correspond to the share of young individuals in workless households because we are considering only young people living with their family of origin, and the WI indicator is constructed by excluding the young individual under consideration (who could be working).

[6] Another, less important, exception is Cyprus, which appears more similar to Continental countries than to Mediterranean ones. Since the analysis of the influence of the family of origin on youth labour outcomes requires a certain degree of homogeneity in the household earning model, we do not consider Eastern European countries in the econometric analysis.

Table 2.3a The distribution of young people (16-24) living in the family of origin by category of work intensity and group of countries, 2005 and 2011

Young people aged 16-24	Year	WI indicator			
		WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1
Nordic countries	2005	0.09	0.14	0.24	0.53
	2011	0.08	0.14	0.22	0.56
Anglo-Saxon countries	2005	0.15	0.17	0.33	0.35
	2011	0.11	0.20	0.38	0.31
Continental countries	2005	0.10	0.26	0.34	0.30
	2011	0.09	0.20	0.41	0.31
Mediterranean countries	2005	0.09	0.36	0.25	0.29
	2011	0.11	0.35	0.23	0.30
Eastern European countries	2005	0.10	0.26	0.21	0.43
	2011	0.08	0.23	0.21	0.48

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Table 2.3b The distribution of young people (16-24) living in the family of origin by category of work intensity and EU countries, 2005 and 2011

	2005				2011			
	WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1	WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1
Northern European countries	**0.09**	**0.14**	**0.24**	**0.53**	**0.08**	**0.14**	**0.22**	**0.56**
DK	0.10	0.12	0.23	0.56	0.06	0.12	0.21	0.60
FI	0.05	0.16	0.25	0.54	0.06	0.13	0.22	0.60
NO	0.06	0.10	0.27	0.57	0.08	0.13	0.20	0.59
SE	0.12	0.17	0.22	0.50	0.11	0.15	0.22	0.52
Anglo-Saxon countries	**0.15**	**0.17**	**0.33**	**0.35**	**0.11**	**0.20**	**0.38**	**0.31**
IE	0.12	0.29	0.38	0.20	0.21	0.32	0.30	0.17
UK	0.15	0.15	0.32	0.37	0.11	0.19	0.38	0.32
Continental countries	**0.10**	**0.26**	**0.34**	**0.30**	**0.09**	**0.20**	**0.41**	**0.31**
AT	0.07	0.21	0.39	0.33	0.04	0.19	0.46	0.31
BE	0.13	0.27	0.32	0.28	0.11	0.21	0.37	0.31
CH	---	---	---	---	0.07	0.21	0.50	0.21
DE	0.11	0.26	0.37	0.26	0.08	0.20	0.46	0.26
FR	0.08	0.23	0.28	0.41	0.10	0.19	0.29	0.42
NL	0.11	0.37	0.44	0.09	0.10	0.25	0.48	0.18
Mediterranean countries	**0.09**	**0.36**	**0.25**	**0.29**	**0.11**	**0.35**	**0.23**	**0.30**
CY	0.04	0.27	0.29	0.41	0.05	0.26	0.36	0.33
GR	0.10	0.31	0.24	0.35	0.14	0.34	0.20	0.33
ES	0.08	0.37	0.29	0.26	0.12	0.36	0.23	0.30
IT	0.11	0.40	0.23	0.27	0.12	0.37	0.24	0.27
MT	---	---	---	---	0.12	0.44	0.27	0.16
PT	0.07	0.25	0.23	0.46	0.08	0.27	0.23	0.42
Eastern European countries	**0.10**	**0.26**	**0.21**	**0.43**	**0.08**	**0.23**	**0.21**	**0.48**
BG	---	---	---	---	0.08	0.22	0.21	0.49
CZ	0.07	0.14	0.20	0.58	0.06	0.15	0.19	0.59
EE	0.07	0.15	0.21	0.57	0.07	0.20	0.24	0.49
HR	---	---	---	---	0.14	0.32	0.19	0.35
HU	0.08	0.22	0.19	0.51	0.10	0.23	0.21	0.46
LT	0.08	0.18	0.19	0.55	0.10	0.20	0.21	0.48
LV	0.06	0.17	0.23	0.54	0.10	0.24	0.22	0.44
PL	0.13	0.33	0.22	0.33	0.09	0.23	0.24	0.44
RO	---	---	---	---	0.07	0.26	0.18	0.49
SI	0.08	0.20	0.18	0.54	0.06	0.15	0.19	0.60
SK	0.04	0.15	0.27	0.54	0.05	0.16	0.24	0.55

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

2.3 At home and out of work?

Are young people increasingly living with their parents primarily because they are not able/willing to find a job? As a 'haven in a cruel world' parental homes can provide a 'protective' refuge in times of need. Newman (2012) argues we are increasingly seeing the development of a "boomerang generation" creating "accordion families" where young people leave home, for education, work or travel, and then come back intermittently (O'Reilly et al. 2015). If the family has a protective role in troubled times, we might expect to observe higher unemployment rates for those who are increasingly living with their parents in recent years. To examine this question we present activity rates (including the employed and those actively seeking work)[7] compared with the unemployment rates for young people living independently and those living with their parents; we have excluded those who are in education from this initial analysis. The results are presented in Table 3.1a summarised by country types and in Tables 3.1b and 3.1c for individual countries.

Table 3.1a Labour market participation and unemployment risk for young people (16-24) by living arrangement, group of countries and year

Group of countries	Year	Activity rate (without students)	Unemp. rate	Activity rate (without students)		Unemployment rate		Odds ratios of unemp-loyment (P(UIO)/ P(UIN))
				Living independently (N)	Living in family of origin (O)	Living independently (P(U|N))	Living in family of origin (P(U|O))	
Nordic countries	2005	0.85	0.14	0.87	0.82	0.11	0.20	1.8
	2011	0.88	0.24	0.90	0.86	0.14	0.35	2.5
Anglo-Saxon countries	2005	0.85	0.11	0.78	0.91	0.11	0.11	1.0
	2011	0.90	0.19	0.81	0.93	0.17	0.20	1.2
Continental countries	2005	0.87	0.17	0.87	0.86	0.15	0.17	1.1
	2011	0.89	0.14	0.88	0.89	0.10	0.15	1.5
Mediterranean countries	2005	0.83	0.25	0.78	0.84	0.17	0.26	1.5
	2011	0.81	0.42	0.77	0.81	0.29	0.43	1.5
Eastern-European countries	2005	0.83	0.30	0.81	0.84	0.16	0.33	2.1
	2011	0.82	0.28	0.78	0.83	0.19	0.29	1.5

Note: Activity and unemployment rates are computed excluding individuals in education and training. Odds ratios of unemployment are computed as the ratio between the unemployment rate for those living in the family of origin and the unemployment rate for those living independently.

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Activity rates for those living in the family of origin are **higher** than for those who live independently, in particular in Anglo-Saxon countries, and to a lesser degree in Mediterranean and Eastern Europe. This suggests for the under 25s they are either unable or unwilling to live independently, even for those working. Only in France, the Netherlands and Cyprus show a higher activity rate for individuals living independently, which are similar to those found in Nordic countries) (Tables 3.1b and 3.1c). These differences must be related to the nature of the housing and rental market, homeownership and housing benefits that are discussed in chapter 5 of this report.

[7] As outlined earlier in section 2.1 the EU-SILC overestimates unemployment and underestimates employment of young people. We use activity rates rather than employment rates here to indicate the proportion of young people who are either working or looking for work, even if they are not registered as unemployed, compared to those who self-report that they are unemployed and looking for work.

Unemployment rates for young people (16-24) living with their parents are higher in all countries compared with those who live independently; the only exceptions are Austria, Germany and the Netherlands in 2005 where unemployment rates were actually higher for young people living independently (Tables 3.1b and 3.1c). The Eastern European and Mediterranean countries had particularly high proportions of young unemployed people living at home in 2005. By 2011 this proportion increased most in the Mediterranean countries, but also in the Nordic and Anglo-Saxon countries, and fell slightly in Eastern countries.

Table 3.1b Labour market participation and unemployment risk for young people (16-24) by living arrangement, EU countries, 2005

	Employment rate (without students)	Unemployment rate	Employment rate (without students)		Unemployment rate		P(U|O) / P(U|N)
			Living independently (N)	Living in the family of origin (O)	Living independently (N)	Living in the family of origin (O)	
Northern European countries	**0.85**	**0.14**	**0.87**	**0.82**	**0.11**	**0.20**	**1.8**
DK	0.87	0.05	0.88	0.86	0.03	0.07	2,3
FI	0.80	0.14	0.81	0.77	0.12	0.17	1,4
NO	0.86	0.20	0.88	0.85	0.17	0.26	1,5
SE	0.86	0.16	0.90	0.81	0.11	0.24	2,2
Anglo-Saxon countries	**0.85**	**0.11**	**0.78**	**0.91**	**0.11**	**0.11**	**1.0**
IE	0.89	0.14	0.82	0.89	0.08	0.15	1,9
UK	0.85	0.11	0.77	0.91	0.11	0.11	1,0
Continental countries	**0.87**	**0.17**	**0.87**	**0.86**	**0.15**	**0.17**	**1.1**
AT	0.87	0.10	0.85	0.88	0.13	0.09	0,7
BE	0.86	0.24	0.84	0.87	0.18	0.25	1,4
CH	---	---	---	---	---	---	---
DE	0.85	0.16	0.81	0.85	0.25	0.14	0,6
FR	0.88	0.19	0.89	0.88	0.13	0.25	1,9
NL	0.88	0.14	0.90	0.87	0.17	0.13	0,8
Mediterranean countries	**0.83**	**0.25**	**0.78**	**0.84**	**0.17**	**0.26**	**1.5**
CY	0.67	0.14	0.90	0.62	0.10	0.16	1,6
EL	0.85	0.29	0.73	0.87	0.23	0.30	1,3
ES	0.87	0.23	0.83	0.87	0.22	0.24	1,1
IT	0.78	0.28	0.74	0.79	0.10	0.30	3,0
MT	---	---	---	---	---	---	---
PT	0.87	0.18	0.81	0.89	0.18	0.17	0,9
Eastern European countries	**0.83**	**0.30**	**0.81**	**0.84**	**0.16**	**0.33**	**2.1**
BG	---	---	---	---	---	---	---
CZ	0.88	0.24	0.78	0.90	0.07	0.28	4,0
EE	0.81	0.17	0.77	0.83	0.06	0.21	3,5
HR	---	---	---	---	---	---	---
HU	0.91	0.18	0.95	0.90	0.13	0.20	1,5
LT	0.83	0.24	0.80	0.86	0.07	0.31	4,4
LV	0.86	0.20	0.77	0.89	0.08	0.22	2,8
PL	0.79	0.39	0.78	0.80	0.23	0.41	1,8
RO	---	---	---	---	---	---	---
SI	0.77	0.17	0.70	0.78	0.04	0.18	4,5
SK	0.89	0.25	0.74	0.91	0.17	0.25	1,5

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Table 3.1c Labour market participation and unemployment risk for young people (16-24) by living arrangement, EU countries, 2011

	Employment rate (without students)	Unemployment rate	Employment rate (without students)		Unemployment rate		P(U|O) / P(U|N)
			Living independently (N)	Living in the family of origin (O)	Living independently (N)	Living in the family of origin (O)	
Northern European countries	**0.88**	**0.24**	**0.90**	**0.86**	**0.14**	**0.35**	**2.5**
DK	0.89	0.28	0.90	0.88	0.24	0.34	1,4
FI	0.76	0.16	0.81	0.66	0.11	0.25	2,3
NO	0.93	0.16	0.95	0.89	0.08	0.29	3,6
SE	0.91	0.27	0.93	0.89	0.14	0.38	2,7
Anglo-Saxon countries	**0.90**	**0.19**	**0.81**	**0.93**	**0.17**	**0.20**	**1.2**
IE	0.81	0.36	0.77	0.83	0.29	0.39	1,3
UK	0.90	0.19	0.81	0.93	0.16	0.19	1,2
Continental countries	**0.89**	**0.14**	**0.88**	**0.89**	**0.10**	**0.15**	**1.5**
AT	0.88	0.12	0.82	0.91	0.12	0.12	1,0
BE	0.87	0.16	0.87	0.88	0.13	0.17	1,3
CH	0.92	0.08	0.91	0.93	0.06	0.08	---
DE	0.91	0.10	0.87	0.92	0.07	0.10	1,4
FR	0.85	0.22	0.88	0.83	0.12	0.31	2,6
NL	0.87	0.04	0.95	0.84	0.02	0.05	2,5
Mediterranean countries	**0.81**	**0.42**	**0.77**	**0.81**	**0.29**	**0.43**	**1.5**
CY	0.76	0.28	0.95	0.73	0.17	0.30	1,8
EL	0.78	0.58	0.71	0.79	0.42	0.60	1,4
ES	0.80	0.49	0.79	0.81	0.38	0.49	1,3
IT	0.80	0.38	0.73	0.81	0.20	0.40	2,0
MT	0.88	0.16	0.77	0.89	0.08	0.16	---
PT	0.89	0.28	0.84	0.90	0.14	0.29	2,1
Eastern European countries	**0.82**	**0.28**	**0.78**	**0.83**	**0.19**	**0.29**	**1.5**
BG	0.67	0.28	0.57	0.67	0.12	0.28	---
CZ	0.89	0.28	0.84	0.90	0.18	0.31	1,7
EE	0.84	0.30	0.84	0.83	0.19	0.34	1,8
HR	0.82	0.48	0.49	0.84	0.28	0.48	---
HU	0.78	0.35	0.65	0.80	0.26	0.35	1,3
LT	0.86	0.35	0.90	0.85	0.32	0.36	1,1
LV	0.85	0.35	0.84	0.86	0.30	0.36	1,2
PL	0.84	0.26	0.81	0.84	0.18	0.27	1,5
RO	0.79	0.20	0.73	0.81	0.13	0.20	---
SI	0.83	0.27	0.83	0.84	0.08	0.30	3,8
SK	0.93	0.33	0.79	0.93	0.08	0.34	4,3

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

2.4 Are young people growing up in workless households more likely to be unemployed?

The answer to this question is a resounding: yes. Looking at youth outcomes according to their parents' employment status (Tables 4.1a - 4.1c) this data reveals the startling fact that across all European countries the likelihood of young people being unemployed was much higher if they came from a work-poor household, compared to those coming from any other type of household. This higher likelihood of being unemployed has increased across all country groups over time, albeit at different rates, apart from in Eastern Europe where aggregate rates have fallen across all household types.

In the Nordic countries youth unemployment has increased most amongst traditional breadwinner families, and remained high amongst those where no one worked. In Anglo-Saxon and Continental countries while the children of working single parents were most vulnerable in 2005, it is those coming from work-poor households who have recently been hit hardest. The disparities between household types were less apparent in Mediterranean countries in 2005, although those from the work-poor households were at higher risk. In 2011 all household types in Mediterranean countries experienced an increased risk of their youth being unemployed, but especially those from the work-poor as well as those from traditional breadwinner households. In Eastern Europe dual working households were best protected in 2005 and overall risks reduced in the later period. Nevertheless, despite this aggregate fall in Eastern Europe, young people from traditional breadwinner households and the work-poor were at the highest risk of being unemployed in 2011 (Table 4.1a).

Table 4.1a Labour market outcomes of young people (16-24) living in the family of origin by the employment status of parents and group of countries, 2005 and 2011

Young people 16-24	Year	Activity rate (without students)				Unemployment rate			
		2P-2W	2P-1W	1P-1W	1/2P-0W	2P-2W	2P-1W	1P-1W	1/2P-0W
Nordic countries	2005	0.85	0.72	0.79	0.87	0.15	0.13	0.29	0.31
	2011	0.86	0.74	0.90	0.87	0.34	0.45	0.33	0.49
Anglo-Saxon countries	2005	0.94	0.91	0.89	0.80	0.06	0.09	0.22	0.18
	2011	0.96	0.86	0.95	0.86	0.14	0.16	0.25	0.42
Continental countries	2005	0.88	0.89	0.81	0.82	0.14	0.15	0.24	0.28
	2011	0.92	0.88	0.91	0.77	0.10	0.17	0.16	0.33
Mediterranean countries	2005	0.86	0.83	0.82	0.83	0.21	0.27	0.27	0.33
	2011	0.85	0.80	0.85	0.80	0.38	0.44	0.36	0.51
Eastern European countries	2005	0.88	0.83	0.86	0.81	0.27	0.35	0.33	0.44
	2011	0.90	0.81	0.84	0.80	0.25	0.33	0.24	0.37

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Activity rates of young people**,** including both the employed and self-defined unemployed, were highest for those coming from work-rich households as well as those from single working parent households. Only in the Nordic countries did young people from work-poor households have a slightly higher activity rate. More recently single working parent households have the highest activity rates of young people in the northern countries. Young people from these households had an overall higher activity rates than those from traditional or work-poor households. Across all countries traditional breadwinner families had lower rates of youth labour market participation that were sometimes comparable to work-poor households, except for the Continental and Anglo-Saxon countries in 2005.

Table 4.1b. Activity rates (excluding students) for young people (16-24) living in the family of origin by the employment status of parents and group of countries, 2005 and 2011

	2005				2011			
	2P-2W	2P-1W	1P-1W	1/2P-0W	2P-2W	2P-1W	1P-1W	1/2P-0W
Northern European countries	**0.85**	**0.72**	**0.79**	**0.87**	**0.86**	**0.74**	**0.90**	**0.87**
DK	0.88	0.75	0.91	0.86	0.87	0.93	0.91	0.88
FI	0.80	0.63	0.73	0.93	0.58	0.64	0.75	0.95
NO	0.89	0.80	0.85	0.77	0.97	0.65	0.82	0.81
SE	0.84	0.72	0.79	0.88	0.91	0.72	0.95	0.84
Anglo-Saxon countries	**0.94**	**0.91**	**0.89**	**0.80**	**0.96**	**0.86**	**0.95**	**0.86**
IE	0.95	0.93	0.86	0.78	0.90	0.86	0.75	0.78
UK	0.94	0.90	0.89	0.80	0.96	0.86	0.96	0.87
Continental countries	**0.88**	**0.89**	**0.81**	**0.82**	**0.92**	**0.88**	**0.91**	**0.77**
AT	0.87	0.90	0.88	0.89	0.93	0.84	0.92	0.97
BE	0.86	0.88	0.95	0.81	0.92	0.93	0.90	0.82
CH	---	---	---	---	0.92	0.95	0.92	0.90
DE	0.84	0.91	0.81	0.84	0.95	0.89	0.96	0.76
FR	0.95	0.88	0.79	0.80	0.87	0.81	0.83	0.78
NL	0.93	0.87	0.76	0.78	0.88	0.95	0.81	0.55
Mediterranean countries	**0.86**	**0.83**	**0.82**	**0.83**	**0.85**	**0.80**	**0.85**	**0.80**
CY	0.59	0.60	0.67	0.65	0.69	0.79	0.72	0.72
EL	0.87	0.88	0.86	0.84	0.78	0.76	0.92	0.85
ES	0.88	0.87	0.88	0.85	0.83	0.79	0.87	0.78
IT	0.83	0.77	0.77	0.81	0.87	0.79	0.82	0.80
MT	---	---	---	---	0.94	0.91	0.84	0.83
PT	0.90	0.92	0.85	0.84	0.92	0.91	0.93	0.83
Eastern European countries	**0.88**	**0.83**	**0.86**	**0.81**	**0.90**	**0.81**	**0.84**	**0.80**
BG	---	---	---	---	0.76	0.71	0.83	0.54
CZ	0.92	0.94	0.91	0.82	0.93	0.88	0.93	0.76
EE	0.85	0.79	0.83	0.80	0.86	0.83	0.87	0.71
HR	---	---	---	---	0.85	0.85	0.87	0.86
HU	0.95	0.86	0.94	0.85	0.88	0.77	0.86	0.77
LT	0.86	0.86	0.83	0.88	0.89	0.84	0.89	0.77
LV	0.90	0.88	0.89	0.88	0.91	0.85	0.87	0.82
PL	0.84	0.79	0.80	0.80	0.90	0.84	0.78	0.84
RO	---	---	---	---	0.93	0.76	0.81	0.82
SI	0.77	0.81	0.81	0.74	0.88	0.81	0.86	0.80
SK	0.94	0.92	0.87	0.88	0.95	0.91	0.95	0.91

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Table 4.1c.Unemployment rates for young people (16-24) living in the family of origin by the employment status of parents and group of countries, 2005 and 2011

	2005				2011			
	2P-2W	2P-1W	1P-1W	1/2P-0W	2P-2W	2P-1W	1P-1W	1/2P-0W
Nordic countries	**0.15**	**0.13**	**0.29**	**0.31**	**0.34**	**0.45**	**0.33**	**0.49**
DK	0.06	0.00	0.00	0.23	0.30	0.33	0.39	0.52
FI	0.16	0.14	0.21	0.20	0.26	0.24	0.13	0.45
NO	0.22	0.26	0.25	0.48	0.33	0.51	0.08	0.48
SE	0.17	0.11	0.39	0.35	0.37	0.61	0.40	0.50
Anglo-Saxon countries	**0.06**	**0.09**	**0.22**	**0.18**	**0.14**	**0.16**	**0.25**	**0.42**
IE	0.07	0.16	0.19	0.26	0.23	0.35	0.38	0.59
UK	0.06	0.06	0.22	0.15	0.14	0.14	0.24	0.41
Continental countries	**0.14**	**0.15**	**0.24**	**0.28**	**0.10**	**0.17**	**0.16**	**0.33**
AT	0.07	0.11	0.17	0.06	0.09	0.16	0.13	0.22
BE	0.15	0.28	0.33	0.37	0.09	0.11	0.21	0.37
CH	---	---	---	---	0.07	0.06	0.12	0.13
DE	0.11	0.13	0.17	0.25	0.06	0.12	0.13	0.27
FR	0.21	0.21	0.37	0.37	0.25	0.35	0.25	0.47
NL	0.13	0.09	0.25	0.23	0.03	0.04	0.16	0.03
Mediterranean countries	**0.21**	**0.27**	**0.27**	**0.33**	**0.38**	**0.44**	**0.36**	**0.51**
CY	0.15	0.16	0.13	0.17	0.32	0.31	0.30	0.26
EL	0.24	0.31	0.43	0.33	0.53	0.64	0.53	0.63
ES	0.20	0.23	0.24	0.30	0.43	0.48	0.36	0.63
IT	0.22	0.32	0.23	0.40	0.35	0.44	0.36	0.41
MT	---	---	---	---	0.18	0.15	0.18	0.18
PT	0.15	0.17	0.34	0.11	0.29	0.27	0.35	0.29
Eastern European countries	**0.27**	**0.35**	**0.33**	**0.44**	**0.25**	**0.33**	**0.24**	**0.37**
BG	---	---	---	---	0.24	0.34	0.21	0.43
CZ	0.20	0.26	0.37	0.51	0.30	0.33	0.24	0.44
EE	0.17	0.19	0.20	0.55	0.28	0.40	0.34	0.47
HR	---	---	---	---	0.42	0.45	0.49	0.57
HU	0.15	0.21	0.21	0.29	0.28	0.35	0.36	0.46
LT	0.27	0.27	0.33	0.43	0.22	0.57	0.38	0.44
LV	0.25	0.21	0.17	0.25	0.30	0.37	0.32	0.52
PL	0.38	0.42	0.46	0.47	0.24	0.32	0.22	0.32
RO	---	---	---	---	0.17	0.28	0.05	0.24
SI	0.13	0.25	0.15	0.23	0.25	0.36	0.47	0.23
SK	0.21	0.26	0.26	0.42	0.31	0.33	0.33	0.46

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

2.4.1 Household work-intensity and youth activity rates

Using a wider definition to include other working-age members of the household provided by the **work-intensity indicator** (excluding the individual under consideration), a similar picture emerges (Table 4.2a). In Nordic countries, after the crisis, activity rates are actually *higher* in work-poor households than in work-rich ones, whereas the opposite occurs in all other country groups.

The higher disadvantage for workless households is confirmed in Continental countries. Before the crisis, unemployment rates were a decreasing function of the WI indicator in Nordic, Continental and Eastern countries, whereas they were more polarized between work-poor and work-rich households in Anglo-Saxon and Mediterranean countries.

After the crisis the situation became more polarized in Continental countries, the relative disadvantage of workless households became huge in Anglo-Saxon countries, whereas the situation became more homogeneous in Nordic countries, with a particular disadvantage for households with half or less members in full-time equivalent work (but who were not workless).

Table 4.2a Distribution of young people (16-24) living in the family of origin by their activity status and category of work-intensity, 2005 and 2011

Young people aged 16-24	Year	Activity rate (without students)				Unemployment rate			
		WI=1	0.5 < WI < 1	0 < WI ≤ 0.5	WI=0	WI=1	0.5 < WI < 1	0 < WI ≤ 0.5	WI=0
Nordic countries	2005	0.82	0.86	0.77	0.85	0.14	0.22	0.23	0.31
	2011	0.85	0.83	0.90	0.93	0.29	0.34	0.51	0.39
Anglo-Saxon countries	2005	0.92	0.94	0.86	0.84	0.10	0.08	0.18	0.18
	2011	0.95	0.97	0.88	0.85	0.16	0.15	0.26	0.48
Continental countries	2005	0.84	0.89	0.87	0.83	0.14	0.15	0.18	0.29
	2011	0.90	0.93	0.87	0.77	0.14	0.10	0.22	0.27
Mediterranean countries	2005	0.86	0.85	0.82	0.82	0.22	0.19	0.31	0.34
	2011	0.84	0.87	0.78	0.80	0.36	0.36	0.49	0.51
Eastern European countries	2005	0.88	0.85	0.80	0.82	0.26	0.30	0.39	0.48
	2011	0.88	0.86	0.76	0.76	0.21	0.28	0.37	0.40

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Table 4.2b Activity rates (excluding students) for young people (16-24) living in the family of origin by category of household work-intensity, 2005 and 2011

	2005				2011			
	WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1	WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1
Nordic countries	**0.85**	**0.77**	**0.86**	**0.82**	**0.93**	**0.90**	**0.83**	**0.85**
DK	0.95	0.79	0.86	0.86	0.89	0.86	0.88	0.89
FI	0.84	0.71	0.80	0.78	1.00	0.87	0.60	0.61
NO	0.82	0.93	0.84	0.86	0.92	0.80	0.93	0.91
SE	0.82	0.77	0.92	0.79	0.93	0.94	0.86	0.90
Anglo-Saxon countries	**0.84**	**0.86**	**0.94**	**0.92**	**0.85**	**0.88**	**0.97**	**0.95**
IE	0.76	0.89	0.94	0.91	0.80	0.84	0.85	0.79
UK	0.86	0.85	0.94	0.92	0.86	0.88	0.97	0.95
Continental countries	**0.83**	**0.87**	**0.89**	**0.84**	**0.77**	**0.87**	**0.93**	**0.90**
AT	0.88	0.90	0.88	0.86	0.98	0.92	0.89	0.92
BE	0.74	0.91	0.87	0.89	0.79	0.89	0.93	0.89
CH	---	---	---	---	0.90	0.93	0.93	0.94
DE	0.86	0.87	0.85	0.83	0.81	0.87	0.96	0.94
FR	0.80	0.86	0.98	0.84	0.77	0.81	0.87	0.84
NL	0.83	0.82	0.93	0.84	0.37	0.96	0.88	0.84
Mediterranean countries	**0.82**	**0.82**	**0.85**	**0.86**	**0.80**	**0.78**	**0.87**	**0.84**
CY	0.74	0.57	0.69	0.59	0.70	0.78	0.73	0.69
GR	0.86	0.84	0.89	0.87	0.89	0.76	0.80	0.76
ES	0.88	0.88	0.88	0.86	0.76	0.80	0.87	0.79
IT	0.78	0.77	0.79	0.85	0.83	0.74	0.88	0.87
MT	---	---	---	---	0.81	0.92	0.91	0.84
PT	0.83	0.89	0.93	0.87	0.80	0.92	0.91	0.93
Eastern European countries	**0.82**	**0.80**	**0.85**	**0.88**	**0.76**	**0.76**	**0.86**	**0.88**
BG	---	---	---	---	0.52	0.57	0.70	0.77
CZ	0.79	0.89	0.91	0.93	0.68	0.87	0.95	0.93
EE	0.94	0.78	0.87	0.83	0.83	0.78	0.83	0.87
HR	---	---	---	---	0.84	0.85	0.83	0.83
HU	0.85	0.86	0.90	0.94	0.68	0.74	0.84	0.87
LT	0.94	0.77	0.90	0.85	0.64	0.84	0.88	0.91
LV	0.98	0.89	0.85	0.90	0.88	0.85	0.85	0.86
PL	0.81	0.77	0.81	0.83	0.80	0.81	0.86	0.87
RO	---	---	---	---	0.81	0.68	0.86	0.89
SI	0.61	0.78	0.80	0.81	0.70	0.74	0.87	0.89
SK	0.82	0.91	0.91	0.93	0.87	0.92	0.95	0.94

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

Table 4.2c Unemployment rates for young people (16-24) living in the family of origin by category of household work-intensity, 2005 and 2011

	2005				2011			
	WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1	WI=0	0 < WI ≤ 0.5	0.5 < WI < 1	WI=1
Nordic countries	**0.31**	**0.23**	**0.22**	**0.14**	**0.39**	**0.51**	**0.34**	**0.29**
DK	0.25	0.09	0.04	0.04	0.48	0.20	0.31	0.35
FI	0.42	0.10	0.27	0.11	0.33	0.19	0.29	0.23
NO	0.36	0.36	0.21	0.22	0.27	0.46	0.34	0.24
SE	0.30	0.31	0.29	0.17	0.40	0.66	0.37	0.30
Anglo-Saxon countries	**0.18**	**0.18**	**0.08**	**0.10**	**0.48**	**0.26**	**0.15**	**0.16**
IE	0.26	0.24	0.12	0.04	0.64	0.39	0.26	0.29
UK	0.16	0.16	0.07	0.11	0.46	0.25	0.14	0.15
Continental countries	**0.29**	**0.18**	**0.15**	**0.14**	**0.27**	**0.22**	**0.10**	**0.14**
AT	0.06	0.16	0.07	0.08	0.26	0.11	0.11	0.11
BE	0.44	0.29	0.23	0.14	0.37	0.21	0.11	0.10
CH	---	---	---	---	0.13	0.11	0.07	0.08
DE	0.26	0.15	0.13	0.11	0.22	0.19	0.06	0.10
FR	0.38	0.26	0.24	0.22	0.37	0.37	0.30	0.25
NL	0.25	0.13	0.14	0.00	0.09	0.09	0.03	0.00
Mediterranean countries	**0.34**	**0.31**	**0.19**	**0.22**	**0.51**	**0.49**	**0.36**	**0.36**
CY	0.21	0.19	0.13	0.16	0.40	0.32	0.24	0.33
GR	0.44	0.40	0.26	0.21	0.74	0.60	0.61	0.47
ES	0.26	0.28	0.18	0.24	0.63	0.55	0.41	0.38
IT	0.43	0.36	0.20	0.24	0.39	0.48	0.31	0.36
MT	---	---	---	---	0.16	0.20	0.13	0.14
PT	0.17	0.17	0.18	0.17	0.44	0.31	0.26	0.26
Eastern European countries	**0.48**	**0.39**	**0.30**	**0.26**	**0.40**	**0.37**	**0.28**	**0.21**
BG	---	---	---	---	0.47	0.36	0.23	0.23
CZ	0.70	0.33	0.27	0.17	0.48	0.39	0.34	0.24
EE	0.32	0.32	0.15	0.18	0.37	0.45	0.32	0.29
HR	---	---	---	---	0.59	0.53	0.41	0.41
HU	0.26	0.29	0.14	0.16	0.43	0.42	0.42	0.23
LT	0.46	0.28	0.31	0.28	0.50	0.59	0.29	0.23
LV	0.24	0.28	0.21	0.20	0.51	0.38	0.36	0.29
PL	0.49	0.44	0.36	0.38	0.32	0.35	0.28	0.20
RO	---	---	---	---	0.30	0.32	0.14	0.12
SI	0.26	0.28	0.13	0.14	0.40	0.25	0.39	0.27
SK	0.54	0.26	0.27	0.20	0.66	0.34	0.29	0.33

Source: Authors' calculation on EU-SILC cross sectional data 2005, 2011.

In sum, this analysis illustrates that young people growing up in workless households are more likely to be unemployed themselves. However, there are also significant differences both over time, country and household type. We have seen that traditional two parent sole breadwinner families also appear to have a growing risk of their children becoming unemployed.

In all country groups (with much smaller effects in Mediterranean countries) before the crisis, young people living in work-poor households presented a higher unemployment risk compared to those living with one working parent. Those living with one working parent presented a higher unemployment risk than those living in work-rich households in Anglo-Saxon, Mediterranean and Eastern countries.

The crisis worsened the situation for young people living in one-earner households in Nordic and Continental countries (relatively to other household types), and for those living in work-poor households in Anglo-Saxon countries. As a result, the relative disadvantage of individuals living in work-poor households reduced in Nordic, Mediterranean and Eastern countries. In Anglo-Saxon countries (compared to those living in one-earner household), and in Continental countries (compared with those living in work-rich households) the risk of youth unemployment increased.

2.5 Are the disadvantages of young people living in work-poor households due to individual characteristics or family effects?

In this section we examine whether and to what extent the disadvantage of young people living in workless household is related to their individual characteristics or to an independent effect of the working conditions of the other family members. To this end, we carry out an econometric analysis, modelling the relative probability of young people (aged 16-24 living with their parents) to be employed, unemployed, in education or inactive as a function of their individual characteristics and their family members' educational and employment status at the time of the interview. Youth individual characteristics included: age, educational attainment, citizenship, parenthood status, presence of parents, country and quarter of the interview. Family characteristics included their parents' employment status, educational level, and the number of family members, other than the young person, and their employment status. Estimation results for selected variables are reported in Table 5.1. For a more comprehensive description of the model estimation see Berloffa, Matteazzi and Villa (2015a).[8]

These results confirm some of the points identified in the previous descriptive analysis, but reveal interesting differences in terms of the differential effects of paternal and maternal employment between countries. After controlling for individual characteristics, young people living in households where both parents are working, generally have a higher probability of employment and a lower probability of unemployment/non-employment.

There are however some differences across country groups and over time. Living with a working father reduces the probability of being unemployed and inactive in Continental and Mediterranean countries. In Continental countries it also increases the probability of employment, while in Mediterranean countries it increases the probability of being in education. In Anglo-Saxon countries, living with a working father increases significantly the probability of employment in both years while it reduced the probability of unemployment and inactivity only in 2005. During the crisis, young people living with a working father faced the same unemployment risk as those whose father was not working. Similarly, in Nordic countries fathers' employment has significant effects on the probabilities of employment and unemployment, but only before the crisis (in 2005).

Mothers' employment has an additional, and often larger, effect than that of the father in Mediterranean and Anglo-Saxon countries. In both country groups it reduces the probability of unemployment and inactivity. In Anglo-Saxon countries it increases particularly the probability of employment (with a very large marginal effect), while in Mediterranean countries it increases the probability of being in education. In the other country groups, the influence of the mother's working condition is more restricted and year-specific. Living with a working mother increases the probability of being employed In Nordic countries in 2011, and it reduces the probability of being unemployed in 2005 in Continental countries.

[8] At the moment, Eastern European countries are not included in the analysis because the group encompasses a wide variety of countries with broad differences in terms of type of welfare state and political economy.

Table 5.1 Predicted probabilities of different employment statuses and marginal effects for selected variables (EU-SILC 2005 and 2011)

	2005				2011			
	Empl.	**Unempl.**	**In educ.**	**Inact.**	**Empl.**	**Unempl.**	**In educ.**	**Inact.**
				Nordic countries				
Predicted probabilities:	**0.161**	**0.042**	**0.750**	**0.047**	**0.151**	**0.077**	**0.734**	**0.038**
Marginal effects:								
Working father	**0.038**	**-0.013**	-0.019	-0.007	0.026	-0.014	-0.010	-0.001
Working mother	0.015	0.001	-0.007	-0.009	**0.030**	0.004	-0.032	-0.002
Working lone mother	0.048	-0.015	-0.051	0.018	-0.025	-0.004	0.053	**-0.024**
Number of other employed	**0.052**	-0.007	**-0.033**	**-0.012**	**0.025**	-0.01	-0.009	-0.007
				Anglo-Saxon countries				
Predicted probabilities:	**0.461**	**0.064**	**0.429**	**0.047**	**0.327**	**0.135**	**0.496**	**0.042**
Marginal effects:								
Working father	**0.054**	**-0.040**	0.003	**-0.017**	**0.097**	-0.019	-0.063	-0.016
Working mother	**0.070**	-0.020	-0.045	-0.005	**0.131**	**-0.048**	**-0.06**	**-0.023**
Working lone mother	0.010	0.021	-0.012	-0.018	0.021	-0.026	0.022	-0.017
Number of other employed	**0.080**	0.008	**-0.082**	-0.006	**0.084**	-0.009	**-0.077**	0.002
				Continental countries				
Predicted probabilities:	**0.254**	**0.059**	**0.639**	**0.049**	**0.279**	**0.044**	**0.631**	**0.046**
Marginal effects:								
Working father	0.017	**-0.013**	0.012	**-0.016**	**0.039**	**-0.026**	0.013	**-0.026**
Working mother	0.016	**-0.023**	0.008	0.000	-0.002	-0.016	**0.025**	-0.007
Working lone mother	-0.022	0.008	0.043	**-0.028**	-0.017	-0.010	0.047	**-0.020**
Number of other employed	**0.082**	0.003	**-0.081**	-0.005	**0.093**	0.005	**-0.092**	-0.006
				Mediterranean countries				
Predicted probabilities:	**0.248**	**0.102**	**0.563**	**0.089**	**0.156**	**0.146**	**0.613**	**0.085**
Marginal effects:								
Working father	-0.009	**-0.025**	**0.059**	**-0.026**	-0.012	**-0.044**	**0.098**	**-0.042**
Working mother	**0.026**	**-0.038**	**0.046**	**-0.035**	-0.008	**-0.025**	**0.054**	**-0.021**
Working lone mother	-0.019	-0.004	0.017	0.006	-0.014	-0.009	0.044	-0.021
Number of other employed	**0.089**	-0.003	**-0.093**	0.007	**0.062**	0.011	**-0.079**	0.006

Notes: Predicted probabilities and marginal effects are derived from the estimation of a multinomial logit model and are computed at the sample mean of the variables. Variables included in the model are: age, sex, educational attainment, parenthood status, citizenship, lone-parent family, parents' working status and education, number of other working family members (besides the young and his parents), and dummies for country, quarter of interview and missing information about parents' working status and educational level. Detailed results are reported in Berloffa, Matteazzi and Villa (2015a). Bold values are statistically significant at 10 percent level of significance.

Where other members of the household are employed, young people are more likely to be employed and less likely to be in education. The marginal effect of living with another employed individual on these probabilities is larger than the marginal effect of living with either a working mother or a working

father. The results suggest that it is not only the parents' working conditions that matter but also those of the other family members, in explaining the probability of a young person being employed. These findings are corroborated by the results obtained using the work-intensity indicator. In 2011 for instance, young people who lived in families with a work-intensity larger than 0.5 have a higher probability of being employed compared to those who live in work-poor households, in all countries. In Anglo-Saxon, Continental and Mediterranean countries, they also have a significant lower probability of being unemployed or inactive (see Berloffa, Matteazzi and Villa, 2015a). We focus more specifically on the role of siblings in chapter 4 of this report.

Since the parental working condition may have different effects on their sons and daughters, we estimated the model separately for females and males (Tables 5.2 and 5.3). Sons' employment status is significantly affected by both parents' working condition in Anglo-Saxon and Mediterranean countries. In Anglo-Saxon countries, living with two working parents has a huge positive effect on the probability of employment (especially for the youngest cohort), while in Mediterranean countries it reduces significantly the probability of unemployment and inactivity (with similar effects for when fathers and mothers are working).

Table 5.2 Predicted probabilities of different employment statuses and marginal effects for selected variables - MALES (EU-SILC 2005 and 2011)

	2005			2011		
	Emp.	**Unemp.**	**Inac.**	**Emp.**	**Unemp.**	**Inac.**
Nordic countries						
Predicted probabilities:	**0.197**	**0.047**	**0.076**	**0.181**	**0.085**	**0.061**
Marginal effects:						
Working father	0.027	**-0.020**	-0.003	0.028	-0.018	-0.002
Working mother	0.013	0.018	-0.004	**0.047**	0.007	0.001
Working lone mother	0.041	-0.028	0.006	-0.074	-0.017	**-0.053**
Other working family members	**0.088**	-0.002	-0.009	**0.041**	-0.009	-0.012
Anglo-Saxon countries						
Predicted probabilities:	**0.485**	**0.068**	**0.047**	0.329	0.125	0.053
Marginal effects:						
Working father	0.054	**-0.076**	-0.015	**0.165**	-0.027	-0.025
Working mother	**0.134**	-0.018	-0.020	**0.110**	-0.056	-0.007
Working lone mother	-0.080	0.018	-0.025	0.115	-0.028	-0.045
Other working family members	**0.057**	0.000	-0.003	**0.084**	-0.024	0.001
Continental countries						
Predicted probabilities:	**0.312**	**0.058**	**0.054**	**0.336**	**0.050**	**0.057**
Marginal effects:						
Working father	0.026	-0.009	0.005	**0.054**	**-0.034**	**-0.034**
Working mother	0.021	**-0.028**	0.009	0.015	**-0.015**	-0.007
Working lone mother	-0.025	0.018	**-0.041**	-0.044	-0.006	-0.016
Other working family members	**0.098**	0.010	-0.007	**0.112**	0.002	-0.004
Mediterranean countries						
Predicted probabilities:	**0.307**	**0.091**	**0.091**	**0.182**	**0.153**	**0.099**
Marginal effects:						
Working father	0.021	**-0.023**	**-0.027**	0.005	**-0.058**	**-0.038**
Working mother	0.014	**-0.027**	**-0.024**	-0.003	**-0.035**	-0.012
Working lone mother	0.026	-0.016	-0.032	-0.004	0.020	**-0.050**
Other working family members	**0.101**	-0.018	0.004	**0.089**	0.010	0.010

NOTES: Predicted probabilities and marginal effects are derived from the estimation of a multinomial logit model and are computed at the sample mean of the variables. Variables included in the model are: age, educational attainment, parenthood status, citizenship, lone-parent family, parents' working status and education, number of other working family members (besides the young and his parents), and dummies for

country, quarter of interview and missing information about parents' working status and educational level. Detailed results are reported in Berloffa, Matteazzi and Villa (2015a). Bold values are statistically significant at 10 percent level of significance.

Table 5.3 Predicted probabilities of different employment statuses and marginal effects for selected variables - FEMALES (EU-SILC 2005 and 2011)

	2005			2011		
	Emp.	**Unemp.**	**Inac.**	**Emp.**	**Unemp.**	**Inac.**
			Nordic countries			
Predicted probabilities:	**0.116**	**0.034**	**0.022**	**0.113**	**0.063**	0.016
Marginal effects:						
Working father	**0.051**	-0.006	**-0.013**	0.023	-0.010	-0.004
Working mother	0.016	**-0.015**	**-0.011**	0.009	-0.004	-0.004
Working lone mother	0.049	-0.003	**0.031**	0.017	0.010	-0.001
Other working family members	0.018	-0.013	-0.014	0.012	-0.009	-0.001
			Anglo-Saxon countries			
Predicted probabilities:	**0.441**	0.049	**0.043**	**0.337**	**0.122**	**0.018**
Marginal effects:						
Working father	0.045	0.005	-0.016	0.041	-0.005	-0.009
Working mother	-0.001	-0.016	0.011	**0.142**	-0.027	-0.025
Working lone mother	0.112	0.023	-0.014	-0.058	-0.029	0.009
Other working family members	0.110	0.014	-0.009	**0.085**	0.013	0.001
			Continental countries			
Predicted probabilities:	**0.191**	**0.057**	**0.034**	**0.217**	**0.037**	**0.032**
Marginal effects:						
Working father	0.006	**-0.019**	**-0.029**	0.024	**-0.018**	**-0.016**
Working mother	0.009	**-0.016**	-0.009	-0.018	**-0.019**	-0.006
Working lone mother	-0.010	-0.005	-0.008	0.015	-0.013	**-0.027**
Other working family members	**0.062**	-0.006	-0.001	**0.071**	0.007	-0.007
			Mediterranean countries			
Predicted probabilities:	**0.192**	**0.111**	**0.071**	**0.130**	**0.137**	**0.062**
Marginal effects:						
Working father	**-0.037**	**-0.028**	**-0.021**	**-0.029**	**-0.034**	**-0.039**
Working mother	**0.034**	**-0.050**	**-0.042**	-0.015	-0.018	**-0.032**
Working lone mother	-0.056	0.008	**0.039**	-0.020	-0.040	0.008
Other working family members	**0.077**	**0.012**	**0.011**	**0.036**	0.012	0.001

NOTES: Predicted probabilities and marginal effects are derived from the estimation of a multinomial logit model and are computed at the sample mean of the variables. Variables included in the model are: age, educational attainment, parenthood status, citizenship, lone-parent family, parents' working status and education, number of other working family members (besides the young and his parents), and dummies for country, quarter of interview and missing information about parents' working status and educational level. Detailed results are reported in Berloffa, Matteazzi and Villa (2015a). Bold values are statistically significant at 10 percent level of significance.

In Continental and Nordic countries, the effects of parental working conditions on their sons' outcomes were different before and during the crisis. In Continental countries, sons of a working mother are less likely to be unemployed in both years, while the role of the father emerges only for the youngest cohort (i.e. during the crisis): it reduces the probability of unemployment and inactivity and paternal employment increases the employment of their sons. In Nordic countries, sons of a working father were less likely to be unemployed before the crisis (2005); and sons of a working

mother were more likely to be employed during the crisis (2011).

Both paternal and maternal employment is associated with a lower likelihood of daughters being unemployed or inactive in Mediterranean and Continental countries. In Mediterranean countries females are also less likely to be employed and have a higher rate of being in education if the father works. In Nordic countries, the employment condition of both parents is significantly correlated with their daughters' one only in 2005. If the mother works, females have a lower probability of being unemployed or inactive; if the father works they have a higher probability of being employed and a lower probability of being inactive. On the contrary, in Anglo-Saxon countries, females' employment status depends only on their mother's employment status, and only for 2011 (increasing the probability of young women being in employment).

If other household members are working this has a similar effect on both males and females, in all country groups, except in the Nordic countries, where no significant effect is evidenced for females.

2.6 Summary conclusions

Our findings showed that young people living with their parents are more likely to be unemployed compared to those who live independently. Those living with unemployed parents face a higher risk of being unemployment themselves. The econometric analysis showed that this remains generally true, even when we control for individual characteristics such as age and education. Ceteris paribus, young people living in households where either the father or the mother works, generally have a higher probability of being in employment and a lower probability of being unemployed or inactive. In particular, living with a working father reduced the probability of not working in all country groups in 2005. Six years later, paternal employment plays a significant role only in Continental and Mediterranean countries. Maternal employment has an additional, and often larger, effect than that of the father in Mediterranean and Anglo-Saxon countries.

Considering sons and daughters separately, the working condition of both parents is relevant for both young men and women in Mediterranean countries; it was only relevant for young men in Anglo-Saxon countries and in Continental countries for young women. In Nordic countries, sons of a working father and daughters of a working mother were less likely to be unemployed before the crisis (2005). Daughters with a working father were also more likely to be employed and less likely to be inactive. Sons with a working mother were more likely to be employed during the crisis (2011).

Lastly, estimation results confirm the importance of considering the employment conditions of all family members and not only the parents. These networks appear to be successful in helping young people to find a employment, as suggested by Granovetter (1983). However, the presence of other working individuals in the household also appears to be associated with a lower likelihood to be in education. This raises some concerns, and suggests the need for a more comprehensive analysis of siblings' effects on the trade-off between education and employment. This broad scale comparison across Europe highlights some of the key areas where research attention needs to be directed in relation to the differential effects between countries and household types.

3. Family background and youth labour market outcomes across Europe

Gabriella Berloffa, Eleonora Matteazzi and Paola Villa

In this chapter we investigate the extent to which youth labour market outcomes are affected by parental worklessness experienced **during adolescence** across European country groups for an older cohort of youth. To the best of our knowledge, this is the first comparative study at the European level about the intergenerational transmission of parental employment. Almost all previous studies focussed on a single country and on the employment condition of fathers, showing that children of non-working fathers are less likely to be employed themselves (see amongst others, Corak et al. 2004, Ekhaugen 2009, Macmillan 2010, Mader et al. 2014). Graaf-Zijl and Nolan (2011) examine household joblessness in Europe in relation to its impact on poverty and deprivation, but do not focus on the issue of its consequences for youth employment trajectories. We consider the employment situation of both parents, and not only that of the father, as has been common practice in previous research. This allows us to separately identify the specific contribution of the working condition of each parent, reducing the risk of omitted variable biases, and enriching the ways through which the intergenerational link can work in different societal contexts. By considering the working condition of both parents independently, we can examine whether the intergenerational correlation of employment is larger in countries where the gendered division of labour (i.e., male-breadwinner vs dual-earner models) is stronger.

3.1 Do household legacies affect long-term risks of unemployment?

The empirical analysis of this section uses the 2005 and 2011 waves of EU-SILC data because they provide considerable information on the parental educational and employment background through two ad hoc modules of intergenerational transmission of poverty (2005) and disadvantages (2011). All variables relate to the period when the individual was around 14 years old and are only collected for individuals aged between 25 and 60 at the time of the interview. In Table 3.1 we show the unconditional probabilities of unemployment and inactivity of young Europeans aged 25-34 who have grown up in work-rich families, and the odds-ratios for individuals who experienced different conditions of parental employment, by groups of countries. We consider four country-groups: Nordic (Denmark, Finland, Norway and Sweden), Continental (Austria, Belgium, France, Germany, Switzerland and the Netherlands), Anglo-Saxon (Ireland and the United Kingdom) and Mediterranean (Cyprus, Greece, Italy, Malta, Spain and Portugal) countries. The four groups are representative of the great heterogeneity of European labour market institutions and welfare regimes. (Our present analysis does not currently include Eastern Europe due to the diversity of countries in this category.)

One of the outstanding findings from this analysis is that young people from work-rich households have a lower unconditional probability of unemployment, although this is not always the case. Unemployment risks are particularly large for individuals who grew-up in work-poor households, or in families where only the mother was working. The disadvantage associated with these types of

households appears particularly large in Nordic and Anglo-Saxon countries, while it appears quite small in Mediterranean countries. The odds-ratios of inactivity, instead, are always higher than one, even when only the father works, and the differences between having grown up in work-rich and in work-poor households are larger than for the unemployment in almost all country groups.

Table 3.1 Unconditional probabilities of unemployment and inactivity of young Europeans aged 25-34, grown up in work-rich families (where both parents were working), and odds-ratios for individuals with different conditions of parental employment (at the age of 14), by country groups.

	Nordic Countries		Anglo-Saxon countries		Continental countries		Mediterranean countries	
	2005	2011	2005	2011	2005	2011	2005	2011
Probability of unemployment(both parents working)								
P(U|2P-2W)	0.04	0.04	0.02	0.07	0.06	0.04	0.08	0.14
Odds – ratios of unemployment (other types of households):								
P(U|2P-1W(Father))/P(U|2P-2W)	1.00	1.75	1.50	1.57	0.83	1.50	1.00	1.07
P(U|2P-1W(Mother))/P(U|2P-2W)	2.50	1.75	2.50	2.00	0.83	1.75	0.88	1.43
P(U|2P-0W/P(U|2P-2W)	2.25	1.75	1.50	2.29	2.00	2.50	1.25	1.29
P(U|1P-1W (Mother)/P(U|2P-2W)	1.50	1.25	1.50	0.71	1.67	1.75	1.00	1.14
P(U|1P-0W (Mother)/P(U|2P-2W)	1.00	3.00	2.00	1.43	1.17	1.50	1.13	1.64
Probability of inactivity (both parents working)								
P(I|2P-2W)	0.07	0.07	0.12	0.12	0.11	0.09	0.11	0.09
Odds – ratios of inactivity (other types of households)								
P(I|2P-1W(Father))/P(I|2P-2W)	1.71	1.71	1.75	1.42	1.36	1.56	1.36	1.44
P(I|2P-1W(Mother))/P(I|2P-2W)	1.29	1.71	1.50	1.58	1.36	1.33	1.18	1.56
P(I|2P-0W/P(I|2P-2W)	3.00	2.43	2.67	2.50	1.64	2.22	2.00	2.56
P(I|1P-1W (Mother)/P(I|2P-2W)	1.43	1.57	1.50	1.25	1.36	1.22	1.36	1.11
P(I|1P-0W (Mother)/P(I|2P-2W)	1.86	2.14	3.33	2.42	2.36	2.11	2.00	1.33

Notes: 2P-2W means two-parent households with both working parents; 2P-1W (Father) means two-parent households with only working father; 2P-1W (Mother) means two-parent households with only working mother; 2P-0W means two-parent households with none working parent; 1P-1W (Mother) means lone-mother households with working mother; 1P-0W (Mother) means lone-mother households with non-working mother.

Since these odds-ratios may capture the effect of other variables related to the parents' employment, such as an individuals' level of education, we estimate these probabilities by controlling for a set of observable individual characteristics. More precisely, we model young individuals' employment status (employed, unemployed, in education and inactive) as a function of individual characteristics at the time of the interview (e.g., age, education attainments, citizenship, parenthood status, cohabitation with parents, country and quarter of the interview dummies), and family retrospective characteristics (e.g. presence of parents and parents' economic status, occupation and educational level when the young individual was fourteen). Estimations are carried out separately for the four groups of countries.

Our empirical findings provide evidence of an intergenerational persistence of worklessness (Table 3.2). In all country groups, having had a working mother increases the probability of being employed and reduces that of being inactive. The effects are particularly large on inactivity risks in Nordic countries (only in 2005) and in Anglo-Saxon countries. In Mediterranean countries, maternal employment also has an additional effect of reducing the probability of being unemployed in 2011. Fathers' working conditions, instead, appear to play a positive role mainly in Mediterranean and Continental countries in enabling their children to find employment and reducing the probability of being inactive; this is reinforced by the effect of the mother's working condition: where she is employed her children are also more likely to be in work. Paternal employment reduces the probability of being unemployed in 2011. In Continental countries, fathers' employment status increased the

probability of their children being employed and reduced the likelihood of their children being unemployed in 2005. But the effect is no longer significant in 2011. The cultural and social capital of parents, captured by their educational level and type of occupation, does not appear to have systematic effects on the employment status of young people (not shown in Table 3.2; see Berloffa, Matteazzi and Villa, 2015b, for more details). When the estimated coefficients of these variables are significant, they generally suggest that parents with a higher education, or a higher-level occupation are more likely to have their children in education.

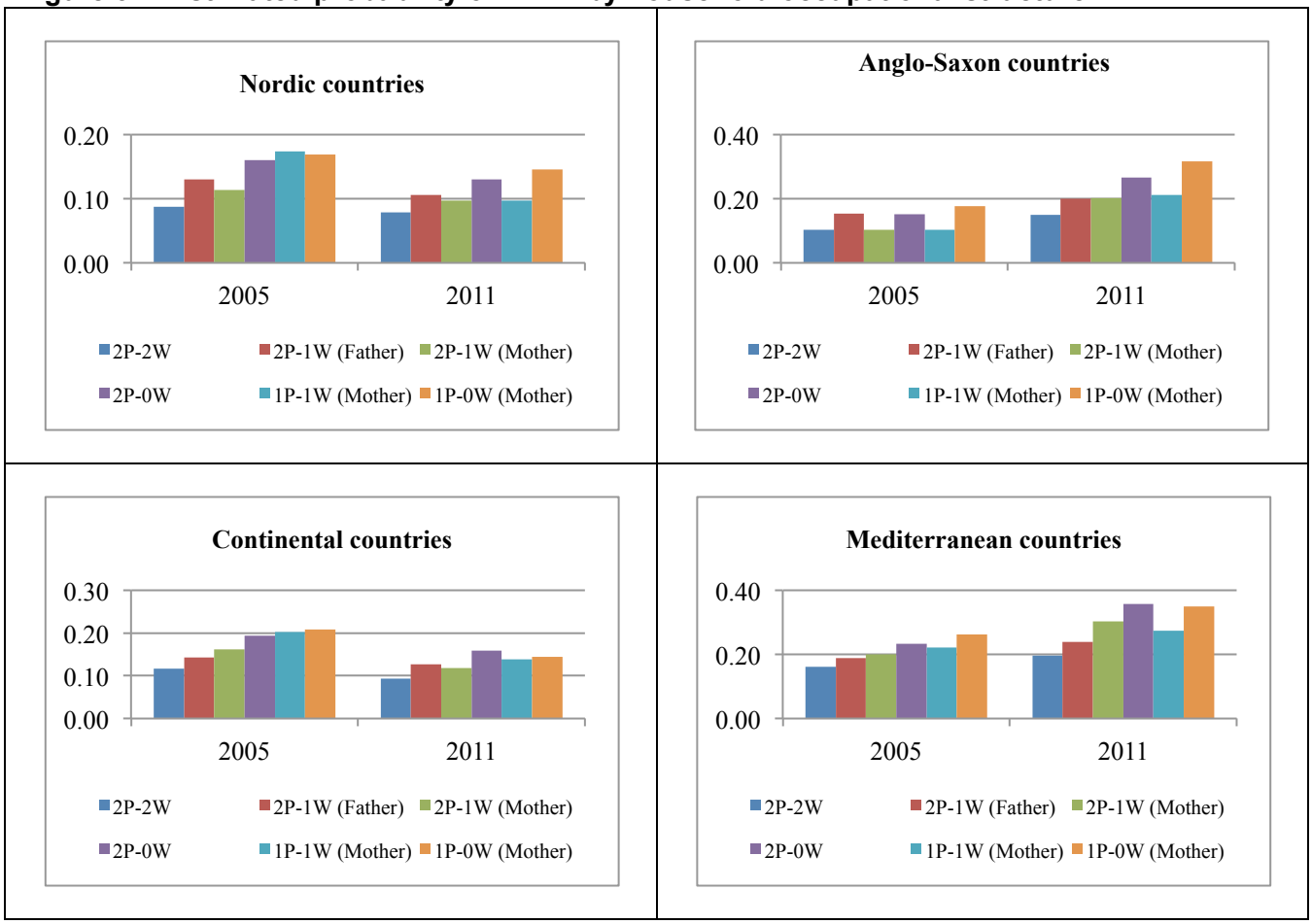
Table 3.2 Predicted probabilities of different employment statuses and marginal effects for selected variables (EU-SILC 2005 and 2011)

	2005			2011		
	Empl.	Unempl.	Inact.	Empl.	Unempl.	Inact.
Nordic countries						
Predicted probabilities:	**0.842**	**0.039**	**0.058**	**0.861**	**0.043**	**0.043**
Marginal effects:						
Working father	0.022	-0.017	-0.006	**0.041**	-0.015	-0.003
Working mother	**0.039**	-0.002	**-0.034**	0.015	-0.014	-0.012
Working lone mother	0.005	0.006	0.028	0.040	-0.009	0.000
Anglo-Saxon countries						
Predicted probabilities:	**0.855**	**0.024**	**0.105**	**0.804**	**0.076**	**0.102**
Marginal effects:						
Working father	0.008	0.005	-0.003	**0.055**	-0.025	-0.029
Working mother	**0.054**	-0.010	**-0.041**	**0.056**	-0.020	**-0.033**
Working lone mother	0.003	0.008	-0.021	0.046	-0.034	0.005
Continental countries						
Predicted probabilities:	**0.845**	**0.061**	**0.076**	**0.874**	**0.044**	**0.064**
Marginal effects:						
Working father	**0.046**	**-0.031**	-0.012	0.026	-0.015	-0.011
Working mother	**0.029**	-0.003	**-0.025**	**0.039**	-0.012	**-0.022**
Working lone mother	-0.030	0.020	0.002	**-0.038**	0.021	0.005
Mediterranean countries						
Predicted probabilities:	**0.802**	**0.084**	**0.098**	**0.762**	**0.144**	**0.083**
Marginal effects:						
Working father	**0.043**	-0.005	**-0.034**	**0.108**	**-0.062**	**-0.039**
Working mother	**0.025**	-0.010	**-0.018**	**0.046**	**-0.020**	**-0.025**
Working lone mother	0.009	-0.001	-0.004	0.019	-0.023	0.004

Notes: Predicted probabilities and marginal effects are derived from the estimation of a multinomial logit model and are computed at the sample mean of the variables. Variables included in the model are: age, sex, educational attainment, parenthood status, citizenship, cohabitation with parents, presence of parents and parents' working status, occupation and education when the young was around fourteen, and dummies for country, quarter of interview and missing information about parents' working status and educational level. Detailed results are reported in Berloffa, Matteazzi and Villa (2015b). Bold values are statistically significant at 10 percent level of significance.

To provide further information about the impact of the household employment structure on youth labour market outcomes, we estimate the predicted probabilities of unemployment, inactivity and the sum of both (which represents the probability of not being in employment or education (NEET) by household occupational structure (Figure 3.1).

Figure 3.1. Estimated probability of NEET by household occupational structure



Notes: 2P-2W means two-parent households with both working parents; 2P-1W (Father) means two-parent households with only working father; 2P-1W (Mother) means two-parent households with only working mother; 2P-0W means two-parent households with none working parent; 1P-1W (Mother) means lone-mother households with working mother; 1P-0W (Mother) means lone-mother households with non-working mother.

We distinguish between two-parent and one-parent households. Within the former, we consider separately individuals who have grown up in households where both parents were working, where only the father was working, where only the mother worked, and where neither parent was working. Within one-parent households, we distinguish between those where the mothers worked and those where they didn't. According to our estimates, between 2005 and 2011 inequalities in the unemployment and NEET risk associated with the parental occupational structure reduced in Nordic countries, remained almost unchanged in Continental countries, while they increased in Anglo-Saxon and Mediterranean countries. During the same period, the predicted probability of young people being inactive decreased in all countries and all types of households, generally in the direction of reducing inequalities. The only exception is Anglo-Saxon countries, where the probability of inactivity decreased only slightly for young people who had grown up in work-rich households or with a working father. For all other types of households the probability of inactivity increased.

3.2 Is it different for sons and daughters?

Since parental employment status may have different effects on sons and daughters, we also estimated separate models for females and males. Occupational mobility between fathers and sons has been extensively studied (Solon 1992; Lee and Solon 1999). Research on women shows that daughters of working mothers are more likely to be in paid employment compared to daughters whose mothers didn't work while they were growing up (Fernandez, Fogli and Olivetti 2004; Fortin 2005; Farré and Vella 2007).

These gender differences are also evident in our separate estimations for male and female subsamples in all country groups (Tables 3.3 and 3.4). For females, the working condition of fathers has a significant effect only in Continental and Mediterranean countries: it reduced the probability of unemployment in Continental countries; in Mediterranean countries it increased the probability of employment and reduced inactivity trajectories. Mothers' working status reduced the probability of their daughters' inactivity in all country groups, with larger marginal effects (relative to the baseline probability) in Nordic and Anglo-Saxon countries in 2005, and similar effects across country groups in 2011.

Table 3.3 Predicted probabilities of different employment statuses and marginal effects for selected variables - MALES (EU-SILC 2005 and 2011)

	2005			2011		
	Emp.	**Unemp.**	**Inac.**	**Emp.**	**Unemp.**	**Inac.**
			Nordic countries			
Predicted probabilities:	**0.935**	**0.035**	**0.030**	**0.935**	**0.043**	**0.022**
Marginal effects:						
Working father	**0.034**	**-0.024**	-0.010	**0.036**	-0.021	-0.015
Working mother	0.030	-0.017	-0.013	0.006	-0.005	-0.001
Working lone mother	-0.009	0.011	-0.002	0.003	-0.019	0.016
			Anglo-Saxon countries			
Predicted probabilities:	**0.937**	**0.026**	**0.037**	**0.894**	**0.073**	**0.034**
Marginal effects:						
Working father	0.022	-0.020	-0.002	0.054	-0.026	**-0.028**
Working mother	0.015	-0.001	-0.014	**0.051**	**-0.045**	-0.006
Working lone mother	0.011	0.003	-0.014	0.066	-0.057	-0.010
			Continental countries			
Predicted probabilities:	**0.912**	**0.048**	**0.024**	**0.920**	**0.041**	**0.025**
Marginal effects:						
Working father	**0.046**	**-0.035**	**-0.014**	0.020	-0.005	-0.014
Working mother	0.004	0.000	-0.001	**0.023**	-0.012	-0.007
Working lone mother	0.037	-0.010	**-0.031**	-0.039	**0.041**	-0.015
			Mediterranean countries			
Predicted probabilities:	**0.879**	**0.065**	**0.044**	**0.805**	**0.142**	**0.043**
Marginal effects:						
Working father	**0.033**	-0.011	**-0.020**	**0.147**	**-0.101**	**-0.043**
Working mother	0.006	-0.006	-0.003	0.030	**-0.019**	**-0.011**
Working lone mother	0.034	-0.039	0.013	0.025	-0.013	-0.011

Notes: Predicted probabilities and marginal effects are derived from the estimation of a multinomial logit model and are computed at the sample mean of the variables. Variables included in the model are: age, educational attainment, parenthood status, citizenship, cohabitation with parents, presence of parents and parents' working status, occupation and education when the young was around fourteen, and dummies for country, quarter of interview and missing information about parents' working status and educational level. Detailed results are reported in Berloffa, Matteazzi and Villa (2015b). Bold values are statistically significant at 10 percent level of significance.

Table 3.4 Predicted probabilities of different employment statuses and marginal effects for selected variables - FEMALES (EU-SILC 2005 and 2011)

	2005			2011		
	Emp.	Unemp.	Inac.	Emp.	Unemp.	Inac.
Nordic countries						
Predicted probabilities:	**0.792**	**0.039**	**0.095**	**0.815**	**0.036**	**0.081**
Marginal effects:						
Working father	-0.048	-0.011	-0.008	0.022	0.008	0.005
Working mother	0.041	0.019	**-0.048**	0.039	**-0.022**	-0.025
Working lone mother	-0.029	-0.007	**0.066**	0.016	-0.002	-0.021
Anglo-Saxon countries						
Predicted probabilities:	**0.778**	**0.013**	**0.209**	**0.746**	**0.069**	**0.186**
Marginal effects:						
Working father	0.000	0.021	-0.021	0.065	-0.037	-0.028
Working mother	0.096	-0.008	**-0.088**	0.058	0.007	**-0.064**
Working lone mother	-0.005	0.007	-0.001	0.000	-0.016	0.016
Continental countries						
Predicted probabilities:	**0.738**	**0.067**	**0.178**	**0.811**	**0.044**	**0.124**
Marginal effects:						
Working father	0.033	**-0.025**	-0.006	0.028	**-0.025**	-0.010
Working mother	**0.069**	-0.008	**-0.068**	**0.056**	-0.010	**-0.042**
Working lone mother	**-0.107**	**0.047**	0.047	-0.040	0.000	0.032
Mediterranean countries						
Predicted probabilities:	**0.691**	**0.102**	**0.191**	**0.706**	**0.139**	**0.141**
Marginal effects:						
Working father	**0.053**	0.005	**-0.053**	**0.067**	-0.019	**-0.040**
Working mother	**0.046**	-0.010	**-0.039**	**0.060**	**-0.017**	**-0.046**
Working lone mother	-0.028	0.045	-0.024	0.010	-0.037	0.026

Notes: Predicted probabilities and marginal effects are derived from the estimation of a multinomial logit model and are computed at the sample mean of the variables. Variables included in the model are: age, educational attainment, parenthood status, citizenship, cohabitation with parents, presence of parents and parents' working status, occupation and education when the young was around fourteen, and dummies for country, quarter of interview and missing information about parents' working status and educational level. Detailed results are reported in Berloffa, Matteazzi and Villa (2015b). Bold values are statistically significant at 10 percent level of significance.

Fathers' working status and their sons' employment probability is positive and significantly correlated in almost all country groups, except the Anglo-Saxon countries (where it is positive but non-significant). The estimated marginal effects are small and quite similar in all country groups in both years, except in the Mediterranean countries. In Mediterranean countries, having had a working father makes a huge difference in the employment outcomes of the youngest cohort (who were around 30 years of age during the crisis): in 2011, the estimated employment probability for young men who had a working father is about 15 percentage points higher than for young men whose father was not working. In 2005,the difference of having an employed father was much less, only 3 percentage points. The effects of the economic crisis in these countries have been much higher: working fathers have been less able to 'protect' their sons from the risk of unemployment than was the case in the earlier period.

Fathers' employment in general reduces their sons' probability of unemployment and inactivity in all country groups. The size of the effect is large: the predicted probabilities of unemployment or

inactivity are generally around 3%-4% - excluding the Mediterranean countries. Having had a working father reduces the probability of unemployment or inactivity by more than a half (although in some cases estimates are not significant). Again, it is worth noting that in Mediterranean countries, the predicted unemployment probability for young men of such fathers is much higher (14%). But having had a working father reduces the likelihood of being unemployed to about 4%. Mothers' working status does not matter for their sons' employment outcomes. But it seems to play a significant role only for the younger cohort in Anglo-Saxon countries. Having had a working mother raises the probability of employment from about 89% to 94%, and decreases the risk of unemployment from 7.5% to 3%. There are some significant effects of maternal employment on their sons' outcomes in Continental and Mediterranean countries for the younger cohort, but they are quite small.

3.3 Summary conclusions

To summarize, our empirical findings provide evidence of an intergenerational persistence of worklessness. In all country groups, having had a working mother increases the probability of being employed and reduces that of being inactive, with particular large effects on inactivity in Nordic (only in 2005) and in Anglo-Saxon countries. Fathers' working conditions, instead, appear to play a role mainly in Mediterranean and Continental countries. However, while in Mediterranean countries the effect became stronger during the crisis, in Continental countries this effect of paternal employment vanished. As a result, between 2005 and 2011 inequalities in the unemployment and NEET risk associated with the parental occupational structure reduced in Nordic countries and it remained almost unchanged in Continental countries. In Anglo-Saxon and Mediterranean countries the association of parental worklessness on youth unemployment increased.

In line with our expectations, when we distinguish between males and females, we find a positive intergenerational correlation between fathers' and sons' employment: young people with fathers who are working are more likely to be employed. However, once we control for mothers' working conditions, this correlation is small in all country groups and for both cohorts, except for the youngest cohort in Mediterranean countries (where it becomes really notable).

Young women with a mother who had been employed were less likely to be inactive. This association was highest in the Nordic countries than elsewhere. It also decreased over time in all countries, apart from those in the Mediterranean. Maternal employment was also associated with their sons having a higher likelihood of being employed in Anglo-Saxon countries, while paternal employment was more significant for daughters' employment in Mediterranean countries.

These results clearly indicate how family legacies have a longer-term impact. We can also observe that policy issues need to address not only the immediate situation affecting young unemployed people, but also how this is related to their parents employment situation; in this case maternal employment is seen to have an overall positive association for the employment trajectories of their children, and often their daughters.

4. Parents' and siblings' working status on the transitions around employment

Marianna Filandri, Tiziana Nazio and Nicola Negri

In this chapter we focus on the effect of social capital provided by families, through working relatives, onto young people's employment status. Section 4.1 contributes with post-crisis longitudinal evidence on cohabiting family members (parents and other siblings). Section 4.2 is restricted to cross-sectional data but considers the effect of all siblings' employment status, including non-co-resident ones. Both sections explore the association between family members' employment and young people's employment status. Households' economic and social capital (understood here as a network of relationships) plays an important role on young people's employment opportunities (Granovetter 1983, Coleman 1990). The effect of these families' capitals can be captured through the number of employed parents and siblings (either cohabiting or living independently). The number of employed family members reflects both the household availability of resources, or the need for such a resource (i.e employed children provide an economic resource to the household), as well as providing bridges to employment opportunities for other family members (a relational resource). On the one hand, higher household economic resources can support a young person's long-term investments for example in obtaining higher educational credentials. On the other, relational resources can better serve young people's entry into the labour market. We estimate the effects of these two forms of family capitals (economic and relational), provided by parents and both co- and non co-resident siblings, on young people employment status. In the first section, based on longitudinal post-crisis EU-SILC data (2008-2011), we focus on young people still living in the family of origin, exploring the effect of household resources. In the second section, using cross-sectional SHARE data, we extend the analysis to non-cohabiting siblings.

4.1 Family of origin: number of workers as social capital

In this section, we provide new empirical evidence on the effect of households' differences on young people's employment chances, within different policy contexts. Specifically, we consider work-rich and work-poor households in the post-crisis period focusing on the number of workers therein. Following previous analyses on young people's employment status (Chapter 3), we turn to a longitudinal focus, using four waves of the EU-SILC from 2008 to 2011.

A family's social and economic capital provides an important range of resources in the process of finding a job and, more in generally, in achieving a certain job career (Breen, 2005; Barone, 2011). Families can support their children's employment chances in several ways, among which: affording them educational achievements, providing housing, supporting them with inter-vivo transfers or gifts and caring for their grandchildren. These types of support can be crucial in the employment path of young adults entering or consolidating their positions in the labour market. For instance, the level and type of educational credentials achieved can affect both short and long time employment prospects,

as well as the risk of adverse labour outcomes (Breen 2005, Barone 2011). The role of families is also exerted long after the first entrance into the labour market. For instance, it's easier, sometimes only possible, for a lone-parent to accept a job on shifts if they can count on their parents looking after their child. Furthermore, in the sociological literature, the family of origin is often seen as a strong determinant in the process of young people's social capital formation, contributing to defining its shape and extent. Following Coleman, social capital is understood here as the network of relationships owned by an individual and the resources embedded within it (Coleman, 1990). Social capital allows young people to capitalize on their connections with others, accumulating benefits such as access to information. It might grant also preferential access to job interviews through referrals, as well as provide skills and role modelling about the most effective behaviours in job search and interview. Social capital theorists focus on different opportunities in accessing job-related information that workers have and recognize that possessing information may lead to labour market advantages (Coleman, 1990; Granovetter 1983). Workers not using personal networks may miss job opportunities only available through individual networks (Aguilera, 2002).[9] However, the literature also stresses how it is weak ties (more loose, heterogeneous contacts), rather than strong ties (frequent, closely related ties, such as those with family members), which matter most in securing employment opportunities (Granovetter 1983). In sum, families can provide three types of resources influencing young people's employment opportunities that is linked to family members' own employment status: economic back-up (affording a wider range of choices and opportunities for prolonged educational investments), informal services, and social capital. All of these effects work in the direction of advantaging young people living in multi-workers households with respect to the employment status they can eventually achieve.

In this framework, we consider the relationship between the working condition of parents and siblings and that of young people. Currently employed family members can provide economic resources and information or bridging to employment opportunities. This perspective is used to compute the number of employed adult household members rather than the share of employed time over the potentially employable time. The reason being that every worker, even when employed on a reduced time, contributes income and develops relationships and access to information on the labour market, as well as providing income.

We test the hypothesis that the probability of young people to find a job increases with the number of workers in their household (or closely related family members). In other words, young people living in 'work rich' households have more chances to be employed compared to those living in work-poor households. This reproduces social inequality whereby the (economically) stronger household are potentially better able to support their offspring in finding a job.

An alternative hypothesis is that workless households hamper their young peoples' occupational prospects, by not being able to afford them comparable chances for prolonged education. Having higher needs for an income source, whereby young people may be the most easily employable household members, may also affect young people's employment status. This leads to the expectation that young people in workless households would be more frequently active in the labour

[9] We refer here to the second type of social capital distinguished in the sociology literature (Putnam 2000); not bonding but bridging social capital (Putnam, 2000) Whereas bonding social capital refers to the relationships between individuals in emotionally close relationships, such as family and close friends, bridging social capital refers to connections between "more loosely connected, distant or diverse" individuals, also known as "weak ties," (Granovetter 1983), which can provide more effective conveyor of relevant information and/or new opportunities in the process of job search (Granovetter, 1983).

market, either in short term employment or in search for it (if welfare benefits to the households cannot be complemented with a potentially low extra source of income).

From the set of longitudinal EU-SILC post-crisis data (2008 to 2011), we selected all young people (aged 16-34 across all observations) who were living with (at least one of) their parents at the time of both interviews.[10] In selecting the analytical sample we also excluded those households exceeding 6 components and poli-nuclear households (amounting to around 2.5% of young people in the entire sample). We focussed on 8 selected countries, covering the range of employment and welfare regimes in Europe: Finland for the Nordic group, UK for Anglo-Saxon one, France for Continental, Italy and Spain for the Mediterranean and Poland and Slovenia for the Eastern European Countries. This accounted for more than 41.000 young people in our sample.[11]

In line with the previous set of cross-sectional analyses (Chapters 2 and 3), we modelled four types of employment status: employment, unemployment, student and other form of inactivity. By means of multinomial logit models (Table 4.2), we estimate young people's probability of being in each employment status at the second interview, controlling for previous employment status.

Table 4.1. Transition matrix of the young people's employment status

		Second interview					
		Employed	Unemployed	Student	Other inactive	Total	N
First interview	Employed	75.3	8.5	5.5	10.7	100	11,534
	Unemployed	12.9	47.7	16.9	22.6	100	3,002
	Student	4.3	2.4	84.4	9.0	100	17,097
	Other inactive	4.6	3.1	48.8	43.5	100	9,465
	Total	24.9	7.6	49.1	18.4	100	41,098

Source: Authors' calculation on EU-SILC longitudinal data, 2008-2011.

Indeed, the stock of people observed in each employment status every year is a direct function of the fluxes between employment statuses from one year to the next. As a result, if different groups of young people experience different careers (in path or timing of transitions into/out of employment), it will reflect in differential probabilities of transiting between states (thus of being observed in each state). Also, given the strong time dependence between states at subsequent time points, especially for employed individuals and students (see also the transition matrix in Table 4.1), valid estimates of probability in each status (depending on the previous one) require also controlling for the previous employment status in the modelling strategy.

As expected there is a strong association between the status at the first and second interviews (Table 4.1). Young people already working in previous year are more likely to be employed in the following period/observation. However, the data also show that about one in four young people exit from

[10] This selection was preferred despite the acknowledgement of a possible selection bias: those who get a job might be more likely to leave the parental household and thus not be included in 2nd observation point. In the literature this type of selection bias is often deal with regression models like Heckman selection model. However, the estimating of these models, faces the daunting problem of finding an instrumental variable that is believed associated with the residential independence but not with the employment status. Furthermore, the influence of the number of working individuals on young people's employment chances could have a more ambiguous effect, given the (sometimes very large) physical distance that may hamper the effectiveness of social ties.

[11] The composition of the sample varies by country, according to the initial sample size and the average age of residential independence of young people in each country. For this reason we inserted controls for two sets of interaction terms: those between countries and number of workers, and those between countries and age band. Neither of these sets of interaction effects proved significant.

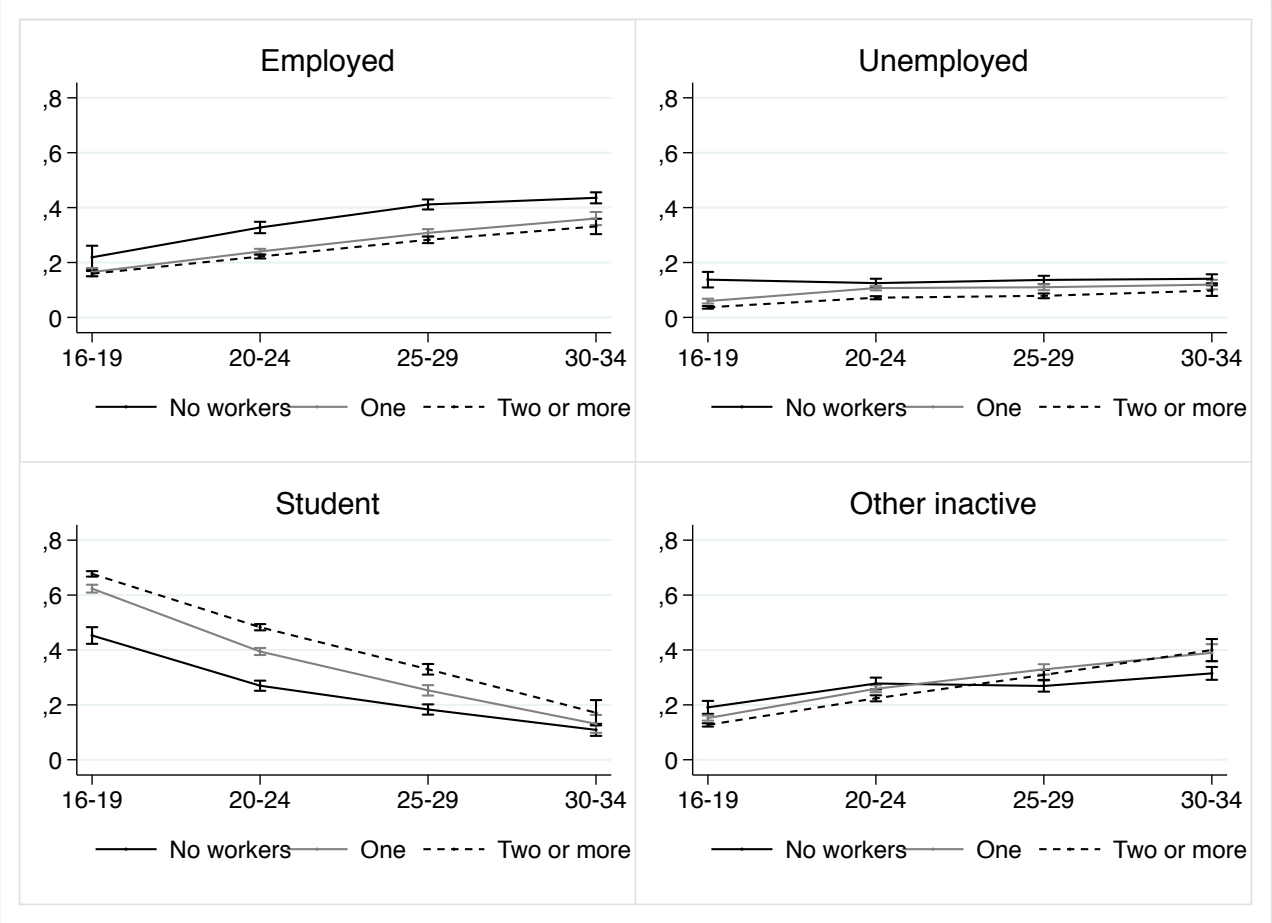
unemployment, and almost one in five move out of inactivity, entering employment at each successive time point.

How important is it for these young individuals to live in a work-poor or work-rich family? Multinomial logit models show the influence of the numbers of workers within the household on young people's chances of being employed, unemployed, studying or other form of inactivity (net of other controls). To provide more easily readable estimates of these results, we compute and graph the average estimated probability (and the corresponding 95% confidence intervals) of being in each of the status by the number of workers in the household and young people age band (Figure 4.1). These measures provide a direct estimate of the probabilities (instead of estimated logit coefficients or odds-ratios), which have intuitive meaning and are easy to interpret and use.

The first result is the strong divide between work-rich and work-poor households in affording their young people long-term studies (the status with highest prevalence for young people). The average probability of being in education display a strong age gradient:[12] the young people are more likely to have left the educational system, as they get older. However, we see strong differences between household types: there is an almost 20 percentage points difference in the average probability to be a student between workless households and those with 2 or more workers for the youngest age group (16-19), and still 15 percentage points difference at the age of 20-24[13] (see Figure 4.1). In line with the second set of hypotheses, considering all the four employment statuses, work-poor households see their sons and daughters less often in education and more often being active in the labour market. More frequently out of education, young people from workless households are more likely to be employed or unemployed than their peers from work rich-households. The latter are more often likely to still be inactive while pursuing educational careers.

[12] The interaction between young peoples' age and the number of workers in the household is statistically significant.
[13] No significant differences in these effects were found across countries, as tested by interaction effects.

Figure 4.1. Average estimated probability and the 95% confidence intervals of being employed, unemployed, student or inactive at the second interview by the number of workers within the household and the age band.



Source: Authors' calculation on EU-Silc longitudinal data, 2008-2011.

Table 4.2. Multinomial logit models on the employment status at the second interviews

	Unemployed		Student		Other inactive	
	Coeff.	St. Err.	Coeff.	St. Err.	Coeff.	St. Err.
Previous employment status						
Employed	-	-	-	-	-	-
Unemployed	3.388***	0.07	2.647***	0.08	2.428***	0.07
Student	1.495***	0.07	4.729***	0.06	2.492***	0.06
Other inactive	1.572***	0.09	3.856***	0.07	3.845***	0.07
Gender						
Female	-	-	-	-	-	-
Male	0.078	0.05	-0.293***	0.04	-0.204***	0.04
Educational level						
Up to lower secondary	-	-	-	-	-	-
Upper and post-secondary	-0.402***	0.06	0.124*	0.06	-0.346***	0.05
Tertiary	-0.363***	0.08	0.195*	0.08	-0.411***	0.07
Household type						
Lone-parent one child	-	-	-	-	-	-
Couple one child	-0.095	0.09	0.057	0.09	0.046	0.08
Lone-parent two children	-0.078	0.11	0.144	0.10	-0.042	0.10
Couple two children	-0.142	0.09	0.186*	0.09	0.052	0.08
Couple three children	0.038	0.10	0.091	0.10	-0.01	0.09
Age band						
16-19 y.o.	-	-	-	-	-	-
20-24 y.o.	-0.732**	0.24	-1.538***	0.21	-0.339	0.21
25-29 y.o.	-1.045***	0.23	-2.664***	0.21	-0.928***	0.21
30-34 y.o.	-1.110***	0.24	-3.484***	0.24	-0.891***	0.21
Number of workers						
None	-	-	-	-	-	-
One	-0.666**	0.24	0.13	0.20	-0.297	0.20
Two or more	-0.946***	0.23	0.051	0.19	-0.519**	0.20
*Number of workers*Age band*						
No worker	-	-	-	-	-	-
One worker * 16-19 y.o.	-	-	-	-	-	-
One worker * 20-24 y.o.	0.780**	0.27	-0.017	0.23	0.122	0.23
One worker * 25-29 y.o.	0.703**	0.26	-0.074	0.23	0.466*	0.23
One worker * 30-34 y.o.	0.612*	0.27	-0.382	0.31	0.317	0.24
Two workers * 16-19 y.o.	-	-	-	-	-	-
Two workers * 20-24 y.o.	0.899***	0.26	0.199	0.22	0.225	0.22
Two workers * 25-29 y.o.	0.889***	0.25	0.205	0.22	0.670**	0.22
Two workers * 30-34 y.o.	0.935***	0.27	-0.127	0.32	0.628**	0.24
Country						
Finland	-	-	-	-	-	-
France	0.252	0.15	0.078	0.11	-0.918***	0.11
Italy	0.234	0.14	0.107	0.10	-0.537***	0.10
Poland	0.113	0.14	-0.282**	0.10	-0.892***	0.10
Slovenia	0.048	0.15	0.320**	0.10	-1.018***	0.10
Spain	0.714***	0.14	0.274**	0.10	-0.731***	0.10
United Kingdom	-0.476**	0.17	-0.785***	0.12	-1.519***	0.12
the Netherlands	-0.608***	0.18	-0.148	0.11	-0.861***	0.11
Constant	-1.126***	0.26	-0.868***	0.22	-0.086	0.22
N	41098					

p<0.05, ** p<0.01, *** p<0.00

Source: Authors' calculation on EU-SILC longitudinal data, 2008-2011.

4.2 Beyond the family of origin: the role of siblings

In this section, we contribute with new comparative evidence on the effect of siblings' employment attachment onto young people's employment chances. Specifically, we focus on the number of employed siblings, either co-resident or living independently drawing on new comparative evidence from the SHARE data (See Appendix). The literature on the role of siblings is mostly concerned with the study of intergenerational financial transfers and care (Brandt et al., 2009; Attias-Donfut et al., 2005), with the transmission of demographic behaviours (Raab et al., 2014) or learning (Nicoletti and Rabe, 2014) and, to the best of our knowledge, we are aware of no studies yet on the siblings' influence on young people employment status. This neglect is due to two factors. First, the long tradition of stratification research on the intergenerational transmission of employment opportunities has tended to focus on fathers' resources. In this framework, siblings are viewed as competing with each other for a share of parental resources (Coleman 1988), rather than seeing children as a potential resource themselves. According to this approach siblings in larger families suffer from a reduced amount of their parents' social capital available to them. Second, there has been a lack of data on siblings' employment status (and other characteristics) when children are no longer living together with the main respondent(s). This is a consequence of the sampling frameworks usually adopted by individual or household surveys. Collecting detailed information on non-resident household members, when children have already moved out, is more complicated and costly. It also assumes a certain definition of family boundaries (e.g. natural, biological and/or step-children) and the salience of each non-resident family member for the phenomena being investigated.

In this section we address this research gap by investigating the association between siblings' employment status, testing an alternative hypothesis to that traditionally found in the literature on siblings. Rather than seeing siblings as a source of competition for the vertical transmission of parental resources, siblings can be seen to provide horizontal support (a relational resource) between brothers and sisters. The research question is: are employed siblings associated with higher employment chances for young people? It is a further test of social capital hypothesis detailed in the previous section, which explores family boundaries (regardless of residence) at the price of loosing the control for the dynamics over time (we make use here of cross-sectional data).

We employ data from the second wave (2006-07) of the Survey of Health, Ageing and Retirement in Europe Survey of Health (SHARE). SHARE is a comparative survey representative of the population aged 50 and older. The main advantage of SHARE, for our purposes, is that information on respondents' (and their partners') children is provided for both co-resident and already residentially independent children. This allows us to trace the employment status of all related siblings. We consider all (natural, step and biological) siblings (from either partner) from families with at least one young child aged 16 to 34. Our estimates of employment chances are for this latter group of young people only, focussing on the effect of their brothers and sisters' employment status on their probability to be employed. We restricted the analyses to families with less than 4 siblings, due to the small numbers of very large families (only 15% of the families with at least one child aged 16-34 reported more than 3 children) and their uneven distribution across countries. Employing logit models, we estimate the risk of young individuals being employed against non employed (inactive or unemployed, excluding students from the analysis), in line with Chapter 2. We were left for the multivariate analysis with a total of 10,269 young individuals and a total of 29,457 records for all (including also their younger and older) siblings in eleven countries: Sweden and Denmark for the

Nordic countries; The Netherlands, France and Germany for the continental group; Greece, Spain, Italy and Ireland in the group of more familistic countries and; Poland and Czech republic for the Eastern group of countries.

Table 4.4. Employment status of young people by the number of siblings.

	Single child				One sibling				Two siblings			
	Empl.	Unempl.	Stud.	Inact.	Empl.	Unempl.	Stud.	Inact.	Empl.	Unempl.	Stud.	Inact.
SE	62.9	4.8	27.6	4.8	69.3	4.3	23.7	2.6	67.7	3.7	24.8	3.9
DK	59.8	1.8	32.1	6.3	61.3	1.4	35.0	2.2	63.9	2.6	29.7	3.8
NL	69.2	2.6	26.9	1.3	73.4	1.9	19.7	5.0	68.3	1.5	25.1	5.2
FR	77.0	4.7	14.2	4.1	72.8	5.0	18.9	3.3	67.6	6.9	20.7	4.8
DE	61.8	4.2	27.8	6.3	64.0	5.7	26.4	3.9	63.9	6.3	24.2	5.7
IE	69.2	3.9	23.1	3.9	71.0	2.3	20.6	6.1	73.6	3.0	18.9	4.5
ES	63.4	3.2	26.9	6.5	72.5	2.9	19.8	4.8	74.4	5.5	12.8	7.3
IT	62.6	11.0	16.8	9.7	63.7	7.9	16.9	11.5	59.1	15.4	9.0	16.5
GR	54.7	14.1	24.7	6.5	61.0	7.8	24.7	6.5	66.7	6.2	22.6	4.6
PL	60.2	13.3	14.3	12.2	71.8	10.7	9.3	8.3	66.3	11.4	11.8	10.5
CZ	73.7	5.8	19.2	1.3	80.1	3.0	13.6	3.3	80.0	3.9	13.0	3.0

Source: Authors' calculation on SHARE data 2nd wave (unweighted)

Preliminary descriptive statistics (Table 4.4, on the rate of young people in each employment status by the number of siblings in all countries studied) seem to suggest no association between the number of siblings and young people's employment status. However, our hypothesis on siblings' effect is not directly related to the sheer magnitude of the sibling pool, that the social stratification literature suggests hampering employment prospects through competing for smaller share of parental resources. We argue that siblings' provide a bridge to work and social capital through their own attachment to employment, a form of social capital. This hypothesis is tested more accurately through the logit models than descriptive statistics. We estimate the probability of being employed (against non unemployed or inactive, excluding students) controlling for an individuals' characteristics. Results of the multivariate analyses (Table 4.5) show that it is not the number of siblings that affects young people's chances of being employed.

Figure 4.3 illustrates the differences in the predicted average probabilities of being employed for having one or two siblings as against being a single child. This reveals very small and mostly not statistically significant effects. Instead it is siblings' employment status that is associated with a higher probability of the young person being employed (all else held constant). For most countries (exceptions are only Sweden, Denmark and the Netherlands), while there are little or no differences between being a single child and having no employed siblings, having one or two employed siblings significantly increases the chances of the young person being employed by between 15-20 percentage points. Figure 4.4 illustrates the predicted probabilities for the different groups in all countries.

4.3 Summary conclusions

Our analysis reinforces the strong evidence of family's capacity to segment young people's employment opportunities/careers. Labour market disadvantages starts early, where those with lesser forms of social and economic capital have shorter or interrupted educational careers and lower levels of investment in their education.

These results suggest the presence of a dual strategy for young people living in workless households.

On the one hand, this group of young people, being often more easily employable than their parents, can constitute a strategic (income) resource for the jobless families, rather than a burden (reflecting on a relatively higher predicted employment rate, net of other controls). On the other hand, they can also suffer more often from unemployment and inactivity (often associated with the structure of welfare benefits to poorer households). This is reflected by higher predicted probabilities (net of controls) in these statuses as well. We can imagine that their lower educational profiles (outcome of shorter or interrupted educational investments) may reflect in more turbulent and fragmented employment careers. This suggestion will be further explored in the subsequent analyses of this work package (deliverable 8.2).

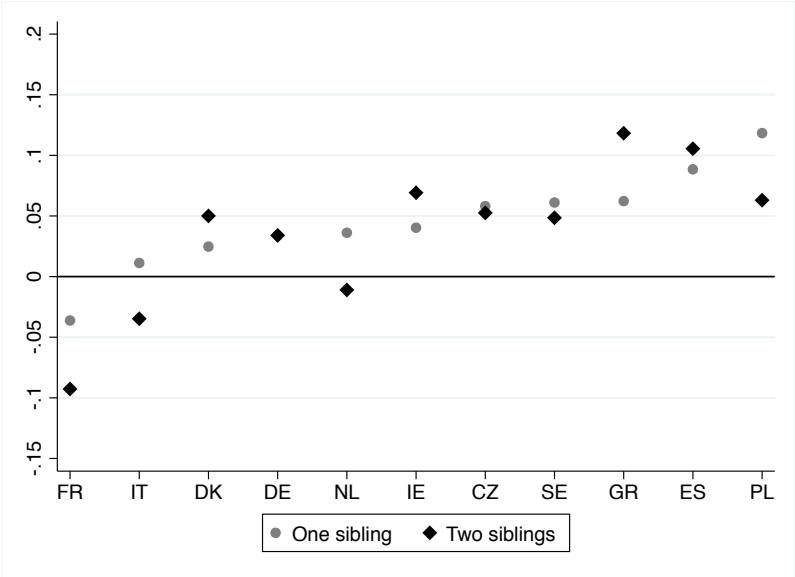
This result is consistent with the experience reported by the Italian Local Advisory Board[14] meeting of stakeholders in the North-West of Italy: especially in single breadwinning households when the main income provider (usually the father) looses his job and struggles to find a new employment: young people are those who more easily activated to support the entire household in the Italian case. This responsibility for income provision, however, might come at the price of carrying later adverse consequences for young people along their life course, with outcomes such as poorer labour prospects, a higher risk of job termination, a later acquisition of residential independence and of their own family formation (to be explored further in deliverables 8.2 and 8.3).[15]

Living in work-rich families (two or more workers) has instead an opposite effect: these young people have a much higher chance of a being in education and a somewhat lower probability of being employed[16] or unemployed. Inactivity appears more frequently amongst young people from work-rich households at later ages (beyond age 24). This is a first hint to a higher "protection" of more resourceful families towards their "NEET" youth. These might be more easily shielded from adverse employment prospects and poor job matching during the crisis, but may find it increasingly difficult to access the labour market.

Our findings on the role of siblings reinforce the importance of social networks, with some differences in intensity between countries. The "exception" of siblings' effects in Nordic countries, characterised by better employment services and active labour market policies, is an interesting result in this respect. The literature on the role of public employment services and active labour market policies has already claimed that in those countries lacking efficient public employment services and/or active labour market policies, people have to rely more heavily on their family and/or friends to find a job. It might also point to an inefficient matching: the job found through family ties might not be the best one, implying for example some skill mismatch (McGuiness et al 2015). The lack of effects of employed siblings in Sweden, Denmark and the Netherlands could thus be interpreted as a positive effect of their labour market institutions (public employment services and active labour market policies) in reducing the need to rely on family ties. These preliminary suggestions should be explored further with longitudinal data.

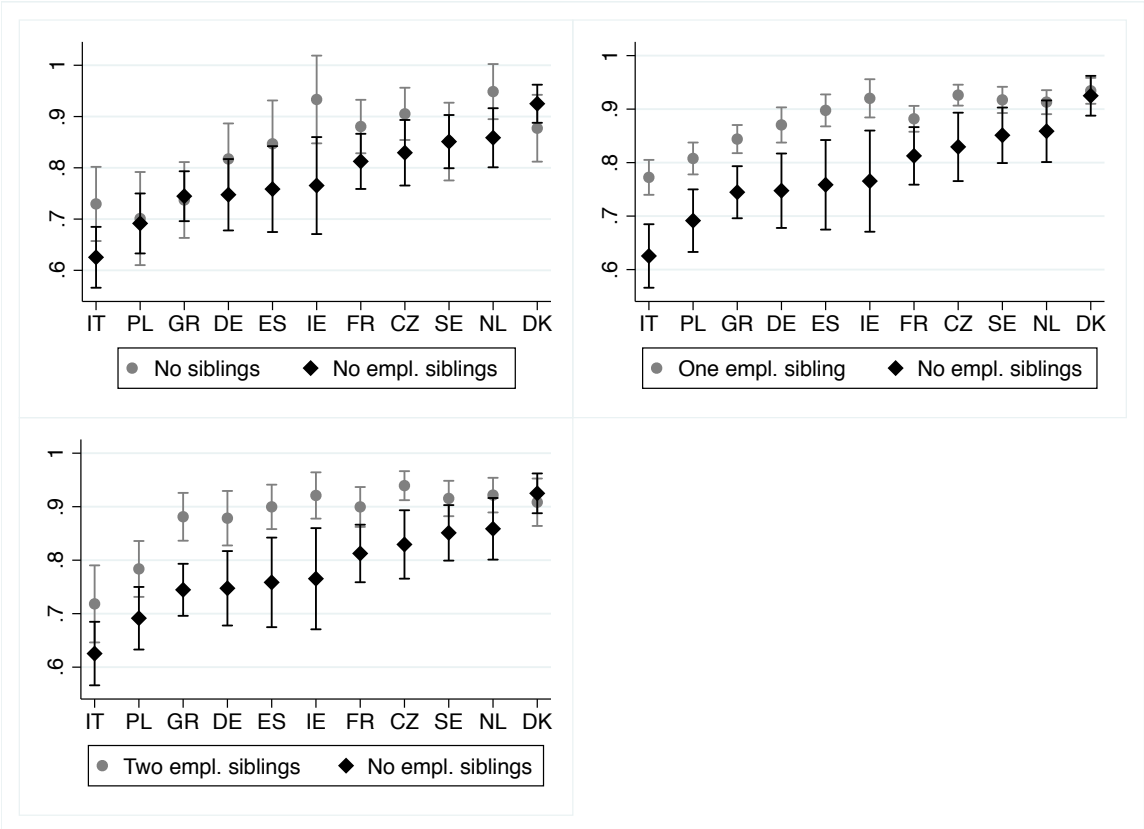
[14] http://www.style-research.eu/2015/02/lab-meeting-at-the-university-of-turin
[15] http://www.style-research.eu/project/work-packages/wp8-family-drivers
[16] No difference was found between households with one, two or more workers.

Figure 4.3. Differences in the probability of being employment by the number of siblings.



Source: Authors' calculation on SHARE data 2nd wave

Figure 4.4. Estimated average probability of being employed by employment status of the siblings.



Source: Authors' calculation on SHARE data 2nd wave

Table 4.5. Logit models on the probability of being employed (unemployed or inactive, when not in education).

	SE	DK	NL	FR	DE	IE	ES	IT	GR	PL	CZ
Gender											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-0.12	-0.39	-1.18***	-1.22***	-0.32	-1.35**	-1.30***	-0.96***	-0.99***	-0.95***	-0.41
Educational level											
Up to lower secondary	-1.59***	-1.82***	-0.86**	-2.05***	-2.11***	-1.83**	-1.00***	-0.83***	-0.46	-1.13***	-1.05***
Upper and post-secondary	-	-	-	-	-	-	-	-	-	-	-
Tertiary	0.32	1.15**	-1.10***	-0.78***	0.90**	-1.46***	0.67*	-0.29	0.28	-0.94***	1.63*
Age band											
16-19 y.o.	-2.57***	-1.13	-1.60*	-0.15	-0.98	-1.68*	-1.31	-2.74***	-0.75	-	-1.79
20-24 y.o.	-1.10**	-0.20	0.47	-0.22	-0.35	-0.77	0.39	-1.50***	-1.00***	-0.95***	-0.18
25-29 y.o.	-0.38	0.15	0.20	0.16	0.03	-0.06	0.26	-0.11	-0.10	0.05	-0.01
30-34 y.o.											
Living condition											
Independently	-	-	-	-	-	-	-	-	-	-	-
With parents	-1.06**	0.20	-0.66	-1.39***	-0.59	0.45	0.13	-0.57**	-0.25	-0.66***	-1.02***
Number of employed siblings											
Single child	0.00	-0.64	1.23	0.65	0.47	1.83	0.65	0.57*	-0.04	0.05	0.74
No empl. siblings	-	-	-	-	-	-	-	-	-	-	-
One empl. sibling	0.77*	0.16	0.61	0.67*	0.94***	1.60***	1.16***	0.84***	0.66***	0.71***	1.03***
Two empl. siblings	0.74*	-0.25	0.74*	0.88**	1.02**	1.61**	1.18**	0.5	1.00***	0.55*	1.26***
Constant	2.37***	2.89***	2.36***	2.23***	1.25***	1.30*	1.77***	1.86***	1.88***	1.55***	2.47***
N	929	761	1000	1082	733	406	700	1024	1325	1121	1188

* p<0.05, ** p<0.01, *** p<0.001

Source: Authors' calculation on SHARE data 2nd wave

5. The macro-context: unemployment and housing benefits

Marianna Filandri, Tiziana Nazio and Nicola Negri

In the previous chapter we focused on the number of workers within the household showing the relevance of the context: i.e. how parental characteristics influence young people's chances to exit unemployment. Here we explore the differences in this effect between countries, taking into account how the effect of living in work-rich/-poor households effects young people's employment status and is associated with other policy measures aimed at promoting youth economic and residential independence across countries, namely unemployment and housing benefits.

5.1 Debates on benefits and employment

Unemployment benefits should provide direct support for those who suffer a loss of income during a period of unemployment and help support the individual's re-employment efforts. The relationship between unemployment benefits and unemployment has been widely investigated (Meyer, 1995; Gallie, 2000; Vodopivec, 2005). Some scholars suggest that benefit generosity may increase unemployment, although the body of empirical evidence is not unequivocal (Fredriksson, 2008). There is, however, no evidence yet on whether the number of working persons in one's household may mediate the effect of welfare support measures on young people' occupational chances.

Similarly, despite the known relevance of housing benefits and allowances, seen by some scholar as even playing as income support measure (Griggs, 2012), there is no acknowledgment of how this role could prove a crucial relief or support during periods of unemployment. We also know little about the association between the extent of housing allowances and the chances of being employed.

Furthermore, since both unemployment and housing benefits are relevant in the transition to housing independence, the macro-level context can simultaneously affect both young people' employment status and the long-term affordability of their transition to residential independence. We suggest to adopt a wider perspective and analyse four macro indicators, related to the employment and housing dimensions. To capture the context of young people's degree of de-commodification from the labour market we chose unemployment benefits coverage and social expenditure (welfare generosity); to capture the dimension of housing systems, and young people's ease in accessing independent housing (via access to the financial system for purchase or to a regulated easily available and affordable rental sector) we chose two measures related respectively to the marketization in housing markets and share of tenancies at reduced rates.

Finally, the generosity, length and extent of entitlements can affect more strongly those who have already achieved residential independence and are thus less buffered from income shocks, in the case of becoming unemployed. Therefore, in this section we consider separately young people living with their parents and those living independently, running distinct analyses for the two groups. We

select all young people aged between 16 and 34 from 2011 EU-SILC cross-sectional data. We then compute a measure of their belonging to a work-rich or work-poor household, taking into account the number of employed people within the household. In this case, the focus is on the relationship between the economic status of young people and the type of family to which they belong, in terms of number of workers. For those living with their parents we consider the employment status of all members (except the young individual analysed and students). For those living already independently we considered the employment status of the partner (if they are in a partnership). We then explore the changes of the association between household work-richness and young people's employment between countries, considering the welfare generosity and housing system characteristics. In order to do this, we collected various sets of data from the 2011 Eurostat Statistics.[17] We selected *the Social protection expenditure as percentage of GDP* and *Unemployment benefits as percentage of GDP* as two indicators of welfare generosity. For the housing system, we consider the *Residential mortgage debt to GDP ratio* as an indicator of the *Degree of marketisation in housing market* and the *Percentage of tenant, rent at reduced price or free* as indicator of housing benefits.[18]

5.2 Analysis

We follow the strategy of a two-level regression model: the procedure of fitting several separate regression models, and then fitting a second, higher-level, regression to the estimated coefficients (Gelman, 2005). We first estimate 28 country-specific separate logit regressions on young people's probability of being employed, excluding students from the sample (Tables 5.1 and 5.2 for young people living with parents or independently, respectively). The analyses (Table 5.1) show that the number of workers within the household is positively associated with the employment status of the young people living there, net of the employment status in the previous year. Consistently with the results from chapter 3 of this report (with a different conceptualisation of work-rich households and cross-sectional estimates), young people living in workless households have a lower chance of being employed. The estimated models, however, show for a few countries a substantial degree uncertainty in the estimated values. Differences between work-poor and work-rich households prove statistically significant with the exceptions of Cyprus, Greece, Luxembourg, Malta, and Norway. Our results thus suggest that parental social capital plays an important role in defining their children's employment status. They also suggest that there is a cumulative advantage of the employment status of parents and children. Focusing on young people living independently, Table 5.2 shows the effect of having a working partner (the relationship between partner's employment status will be analysed more in depth in the following task of this WP). For now, we can see that, here too, there is a general positive effect on young people's probability of being employed but, probably due to the small sample sizes, it often fails to reach statistical significance.

Focussing on the number of workers within the household, we then estimated the average predicted probabilities of being employed for young people in work-rich and work-poor households. Average marginal effects (Bartus, 2005; Mood, 2010) allow comparability across groups and make the result easy interpreted because they can be read as average differences of probability. We then regress the

[17] For more details see: http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home

[18] One of the difficulties in accurately assessing the extent to which households in the private rental sector are recipients of housing allowances is that many countries do not distinguish between private and social renters in estimating the number of renters in receipt of a housing allowance (O'Sullivan, 2007) For this reason we chose instead to analyse the more valid measure, for our purposes, of percentage of tenants at reduced rate.

coefficient estimates (the differences in the probability of being employed) on country-level predictors. We fit separate regressions for every country-level variable and, to provide a concrete glance at the results, we illustrate the correlations, by graphing for each country the bivariate association between the chances of being employed and the four selected variables (Figures 5.1 for young people living with parents).

5.3 Summary conclusions

Contrary to our expectations, results show small negative coefficients for workless households and only few statistically significant effects on country level predictors. Only the "Residential Mortgage Debt to GDP ratio" and, to a lesser extent, the "share of Social Protection Expenditure on GDP", seem negatively associated with young people's employment, when living with their parents in workless households (as compared to single breadwinning households).

Despite this macro indicators seem to be directly associated to young people's chances of being employed. As the literature shows, those countries with a more generous provision and larger coverage/spending display lower unemployment and higher employment rates for young people. Their effect at the macro level appears not to be mediated by households' work-intensity. This result, at the micro level, that household characteristics (i.e. the number of working individuals therein) influence young people's chances of being employed is in line with the evidence in previous chapters. This effect, however, does not seem to vary with macro level institutional characteristics. This suggests that more research is required to assess the role of welfare measures to support youth transitions (housing and unemployment benefits among others). This might be because, next to being highly segmented provisions (whose entitlement, duration and generosity is very heterogeneous across countries) their effect is likely operating in different ways than by providing the sort of social capital that families can endorse their members with.

Table 5.1. Logit models on the probability of being employed for young people living with their parents.

	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech R.	Denmark
Gender							
Male	-	-	-	-	-	-	-
Female	0.198	-0.201	-0.18	-0.046	0.423*	-0.456**	-0.152
Educational level							
Up to lower secondary	-	-	-	-	-	-	-
Upper and post-secondary	0.376	1.476***	1.244***	1.378***	0.069	1.532***	0.094
Tertiary	1.238*	2.234***	1.452***	1.299***	0.257	1.766***	1.034
Age band							
16-19 y.o.	-	-	-	-	-	-	-
20-24 y.o.	-0.023	-0.867	1.943***	1.664***	2.157***	1.697***	0.936***
25-29 y.o.	0.666	-0.488	2.799***	2.468***	3.475***	2.088***	0.981*
30-34 y.o.	-0.053	-0.326	2.917***	2.778***	3.417***	2.211***	0.93
Number of workers							
None	-	-	-	-	-	-	-
One	-0.184	0.698*	0.382*	-0.128	0.324	0.363	0.693
Two or more	0.267	1.077***	0.677***	0.313*	0.029	0.430*	1.056**
Constant	1.048**	-0.279	-3.104***	-3.051***	-2.556***	-2.205***	-0.945*
N	847	545	1648	1726	1047	1248	497

	Estonia	Finland	France	Germany	Greece	Hungary	Italy
Gender							
Male	-	-	-	-	-	-	-
Female	-0.248	0.485**	-0.106	-0.148	-0.113	-0.589***	-0.403***
Educational level							
Up to lower secondary	-	-	-	-	-	-	-
Upper and post-secondary	0.765***	0.604**	0.730***	0.632**	0.344	1.493***	0.390***
Tertiary	1.656***	1.707**	1.128***	0.855*	0.289	1.889***	0.302**
Age band							
16-19 y.o.	-	-	-	-	-	-	-
20-24 y.o.	0.782	-0.556	0.397*	0.084	1.522***	0.916*	0.975***
25-29 y.o.	1.246**	0.234	0.678**	-0.165	2.335***	1.501***	1.681***
30-34 y.o.	1.317**	0.021	1.176***	0.065	2.601***	1.676***	1.959***
Number of workers							
None	-	-	-	-	-	-	-
One	0.494*	0.792**	0.23	0.648**	0.162	0.398**	0.136
Two or more	0.646**	0.980***	0.534**	1.424***	0.259	0.632***	0.559***
Constant	-1.834***	-0.965*	-0.948***	0.112	-2.521***	-2.103***	-1.366***
N	1047	724	1110	1067	1192	2193	3691

(continued...)

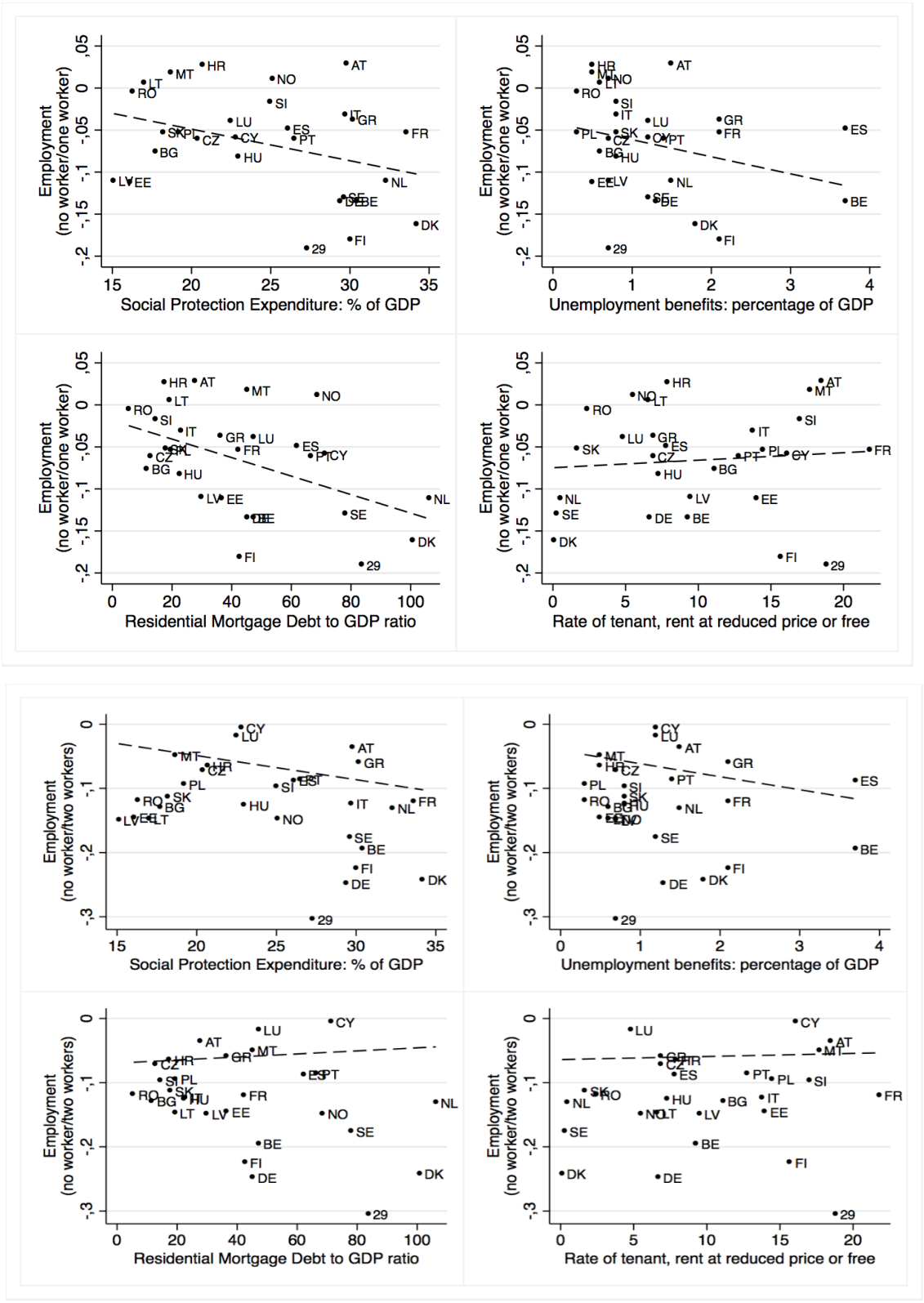
	Latvia	Lithuania	Luxemb.	Malta	Norway	Poland	Portugal
Gender							
Male	-	-	-	-	-	-	-
Female	-0.408**	-0.31	-0.568**	-0.380**	0.366	-0.706***	-0.311*
Educational level							
Up to lower secondary	-	-	-	-	-	-	-
Upper and post-secondary	0.561***	0.937***	0.818***	1.115***	0.139	0.642***	0.407*
Tertiary	1.067***	1.584***	0.388	2.113***	0.444	1.229***	0.562**
Age band							
16-19 y.o.	-	-	-	-	-	-	-
20-24 y.o.	0.967**	1.047*	0.910**	0.374	1.147***	0.533*	1.964***
25-29 y.o.	1.213***	1.963***	1.241***	1.039***	1.383**	1.021***	2.305***
30-34 y.o.	1.412***	1.659**	1.974***	1.072***	1.560*	1.234***	2.510***
Number of workers							
None	-	-	-	-	-	-	-
One	0.475**	-0.028	0.266	-0.121	-0.051	0.258*	0.323
Two or more	0.653***	0.745***	0.119	0.375	0.714	0.466***	0.474*
Constant	-1.457***	-1.989***	0.04	0.399	-0.842	-0.697**	-1.464***
N	1245	833	801	1388	393	2898	1142

	Romania	Slovakia	Slovenia	Spain	Sweden	UK	Nether.
Gender							
Male	-	-	-	-	-	-	-
Female	-0.834***	-0.344**	-0.421***	-0.182*	-0.011	0.016	-0.249*
Educational level							
Up to lower secondary	-	-	-	-	-	-	-
Upper and post-secondary	0.443*	1.804***	0.905***	0.369***	0.854***	1.260***	0.077
Tertiary	0.661**	2.260***	1.115***	0.657***	0.969*	1.478***	-0.177
Age band							
16-19 y.o.	-	-	-	-	-	-	-
20-24 y.o.	0.456	1.551	1.834***	1.291***	0.921***	0.658***	1.483***
25-29 y.o.	1.254***	2.050*	2.433***	2.082***	1.308***	0.989***	2.430***
30-34 y.o.	1.883***	2.320**	2.901***	2.364***	3.377***	1.383***	2.942***
Number of workers							
None	-	-	-	-	-	-	-
One	0.028	0.275	0.091	0.218*	0.605*	0.886***	0.541
Two or more	0.785***	0.641***	0.564***	0.398***	0.817**	1.587***	0.638*
Constant	-0.156	-2.860***	-2.255***	-2.029***	-2.152***	-1.717***	-1.534***
N	1243	1860	2772	2722	897	969	1259

* p<0.05, ** p<0.01, *** p<0.001

Source: Authors' calculation on EU-Silc cross sectional data 2011.

Figure 5.1. The association between the difference in the average estimated probability of being employed by the number of workers within the household and two level macro-variables (welfare generosity and housing system) for those living with their parents.



Source: Authors' calculation on EU-SILC cross sectional data 2011.

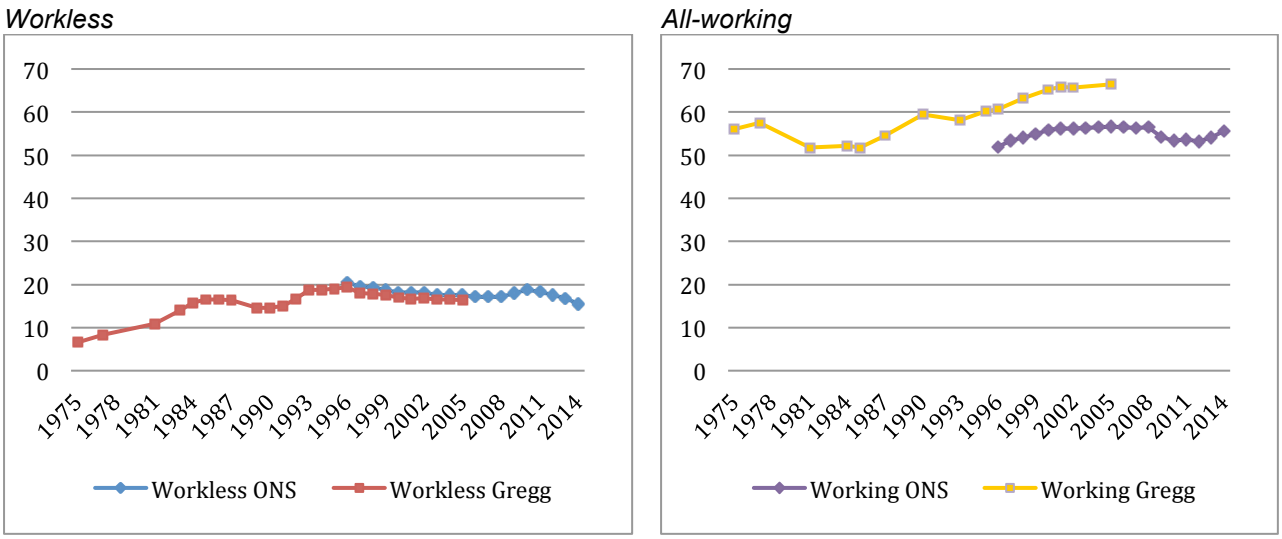
6. Households, age, gender and ethnicity: exploring the UK case

Carolina Zuccotti and Jacqueline O'Reilly

6.1 Introduction

The UK is one of the countries most affected by the parallel increase of work-rich and work-poor households. This was brought to the attention of policy makers in the mid-1990s by Gregg and Wadsworth (1994, 1996a, 1996b). This is particularly problematic in the UK, where the rate of children living in workless households is of 13% in 2014, one of the highest in the European Union (Department for Work and Pensions 2010a, Office of National Statistics 2014b). These developments can be observed in Figure 6.1, which shows the percentage of workless and all-working households in the UK. Two trends are shown, both based on the Labour Force Survey.

Figure 6.1: Workless and all-working households in the UK



Note: Both series include all households with at least one person between 16 and 64 years old and exclude those where any occupant does not record labour force status or where all residents are students. The main difference between the two is that the ONS definition of working age households includes any resident who is working age, while the definition by Gregg and others excludes any household with a head of household above working age. Note also that Gregg and others consider a household with two working members and a child of 16 years old in full time education as a fully working household, while this is not the case for the definition by the ONS.
Source: (Office of National Statistics 2014b) and several papers by Gregg and others (Gregg, Hansen, and Wadsworth 1999, Gregg, Scutella, and Wadsworth 2010, Gregg and Wadsworth 2001, 2003)

This finding has had strong consequences for policy making: since many benefits are family-based, this measure has added a more complete picture regarding non-employment, more often explored at the individual level, and, hence, improved the actions to tackle it. In addition, new academic research emerged around this topic. Many studies have shown that children raised in workless households have a higher chance of being unemployed and of spending more time out of work or as a NEET, that is, not in employment, education or training (Macmillan 2014, O'Neill and Sweetman 1998, Macmillan

2010, 2011, Schoon 2014, Gregg, Macmillan, and Nasim 2012) (although this is in part mediated by other factors such as education, cognitive and non-cognitive skills, behavioural characteristics and educational expectations). However, very little attention has been given to examining ethnic differences in these trajectories and their relationship with the household characteristics of young people (Zuccotti 2015).

In this chapter we focus on three dimensions in our contribution to these debates. Here we make comparisons between youth and older age groups, between different ethnic communities and in relation to gender differences. The analysis is based on Wave 1 (2009-2010) of the United Kingdom Household Longitudinal Study (UKHLS). The main reason for choosing this Wave is that is has the fewest cases with missing parental information (around 6%), our key explanatory variable. Details on the data, sample and variables can be found in the Appendix.

6.2 Exploring trends for various age groups

Table 6.1 shows the initial characteristics of the households in which the individuals in our sample lived when they were 14 years old. Around 60% of individuals in our sample come from households in which both parents where working when they were around 14 years old. Around 28% come from mixed families, i.e. both parents were present but only one was working. Individuals from workless families (be they single- or dual-parent households) are almost 7% while individuals raised by a single working parent are around 6%. Another important piece of information is that most of mixed households are the typical male-breadwinner households, that is, where only the father works (especially among the oldest group); on the other hand, most of single-headed working origin households are single working mothers (especially among the younger populations).

Table 6.1: Origin households of individuals, by age category (row %)

	Work-poor	Mixed (male breadwinner)	single working	Work-rich Both working
16-60	*6.6*	*27.9*	*5.9*	*59.6*
16-19	10.7	21.2	6.4	61.6
20-24	8.4	22.8	6.9	61.9
25-29	7.8	23.0	6.0	63.2
30-34	7.5	24.5	5.5	62.5
35-60	5.3	31.4	5.6	57.7
Total*	2348	8165	1707	16084

* These and the other totals in this introduction are those within the survey sample(“subpop number of observations”).

Corresponding to the idea of polarisation in household types, Table 6.1 illustrates this quite clearly: compared to older groups, younger cohorts are more likely to have both parents working; but the increase in young people coming from a parental home with no one working is notably higher than for older generations. For example, while around 58% of individuals above 34 years old had two working parents when they were 14 years, this increases to 62% for the youngest group (16-19); conversely, the number of individuals raised in workless families rises by almost 6% points for the youngest

cohort. Note that there is also a higher proportion of individuals raised in single working households among the younger groups, as well as a lower proportion of individuals raised in mixed (male-breadwinner) households. Another piece of information (tables available upon request) is that origin households where both parents work are also households where the occupational status of parents tends to be high (around 50% of these origin households have at least one parent in the service class; this proportion goes down to 30% and 24% for mixed and single-working households, respectively; and possibly to an even lower percentage for non-working households[19]), and this pattern is even stronger for the more recent cohorts. In a way, this means that younger groups in our sample have more 'polarized origins' compared to the older cohorts: not only is the share of both work-rich and work-poor parents higher for them, but for those where both parents are working, they tend to be particularly advantaged in terms of their parents' occupational status.

Table 6.2 shows the percentage of employed people as a share of the total active population plus some inactive groups (household and sick/disabled). Note that students are excluded from this table. As expected, individuals raised in work-rich households are generally more likely to be employed as compared to individuals raised in the other types of households, in particular compared to those coming from work-poor households. Differences based on origin households are higher for younger cohorts.

Table 6.2: Employed individuals (vs. unemployed/inactive), by origin household and age category (%)

	Work-poor	Mixed (male breadwinner)	single-working	Work-rich	Total	N
16-19	39.4	55.8	48.0	76.5	65.3	829
20-24	39.7	66.1	65.5	83.2	74.2	2069
25-29	52.5	73.9	69.6	83.7	78.1	2728
30-34	65.3	74.5	75.7	85.9	81.0	2827
35-60	64.3	78.7	76.6	84.1	80.9	16666

In order to obtain more precise estimations, Table 6.3 shows the probability of being in employment (vs. unemployed, sick/disabled or doing housework) when controlling for age group, age, gender, ethnicity (a) and education (b), one of the key predictor of labour market outcomes. Next to these models, we explore to what extent the (expected) residual influence of origin household holds once we have considered the maximum *occupational status* of parents (c). Although we only have information on parental occupational status for individuals who had at least one working parent at the age of 14, for the purposes of comparing with model (b) – and given the well-known links between worklessness and poverty (Crisp et al. 2009; de Graaf-Zijl and Nolan 2011; Holden and Frankal 2012; Nickell 2004) – we have assigned to individuals who had workless parents the lowest parental occupational status (i.e. manual occupations). The coefficients represent average marginal effects derived from logistic regression models.

The results in Table 6.3 show that the origin household has an effect on labour market outcomes of individuals, part of it mediated by the role of education (b). An individual raised in a work-poor

[19] Note that it is not possible to know any type of parental occupation if the respondent has declared that his parent(s) didn't work when he/she was 14 years old; however, it is expected to be a low status occupation.

household has around 15% less probability points of being employed as compared to an individual raised in a work-rich household. Individuals raised in mixed and single-working parent households are around 6-7% less likely of being employed, as compared to individuals raised in both-working households. Interestingly, these effects remain practically the same once we control for the parental occupational status (c).

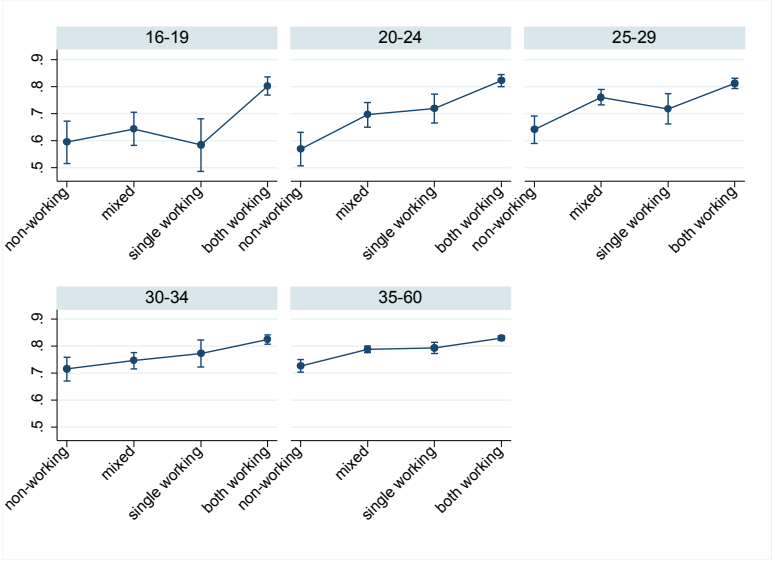
Table 6.3: Access to employment (vs. unemployed/inactive); average marginal effects

	a	**b**	**c**
Age categories (ref: 36-60)			
16-19	-0.183	-0.075	-0.075
	(0.026)***	(0.021)***	(0.021)***
20-24	-0.091	-0.046	-0.045
	(0.018)***	(0.016)***	(0.016)***
25-29	-0.046	-0.029	-0.029
	(0.014)***	(0.013)**	(0.013)**
30-35	-0.013	-0.016	-0.016
	(0.011)	(0.011)	(0.011)
Origin household (ref: both working)			
Workless	-0.241	-0.151	-0.135
	(0.013)***	(0.011)***	(0.012)***
Mixed	-0.078	-0.061	-0.058
	(0.006)***	(0.006)***	(0.006)***
Single-working	-0.101	-0.065	-0.060
	(0.012)***	(0.011)***	(0.011)***
N	24851	24851	24851
Controls			
Age, gender and ethnicity	X	X	X
Education		X	X
Household occupational status			X

* $p<0.1$; ** $p<0.05$; *** $p<0.01$

We go on to examine whether this household effect varies for different age categories. In order to test this, we have added interaction effects between age categories and origin households in model (c) from Table 6.3. The results (not shown) are plotted in Figure 6.2. We observe that in accordance with the initial crosstabs, the type of origin household exerts in general a stronger effect for younger populations. For example, while the gap in employment for two individuals raised in workless and both-working households is of almost 30% points if the individual is in the age group 20-24, this reduces to around 10% points for individuals in the older age group (35-60). In this respect, note that the closure of the gaps occurs because those in workless/mixed/single-working households 'catch up' to the level of those raised in both-working households. Individuals from both-working households, hence, usually manage to separate themselves from those in other households, no matter the age group in question. The fact that household-based differences are still present for individuals above 34 years old might speak of long-term consequences of the role of origin households.

Figure 6.2: Access to employment by origin household and age category; predicted values



Models control for age, education and parental occupational status.

6.3 Comparing gender and ethnicity youth trajectories (16-34)

We were also interested in understanding the gendered and ethnic differences associated with this pattern of work-rich and work-poor households in the UK. Table 6.4 shows initial characteristics of the households in which the young individuals in our sample lived when they were 14 years old, divided by gender and ethnicity. This indicates that women in our sample are slightly more likely to be raised in a workless household than men, although the differences with respect to men in terms of origin households are very small.

However, we find important differences when we look at the results by the (self-declared) ethnic group of the respondent. Non-whites are much more likely to have been raised in workless and mixed male-breadwinner households than whites. Looking at specific groups, we see that Bangladeshis, followed by Pakistanis, are those who have the highest share in workless households: almost half of Bangladeshi and 28.5% of Pakistani were raised in such households. Note also that work-rich and single-working origin households are uncommon for these groups, in particular for Bangladeshi, while a large proportion of them were raised in mixed male breadwinner homes. This, we believe, reflects the patriarchal views on the role of women in the labour market (Peach 2005).

The other groups have intermediate positions in terms of the share of work-poor households: between 9% (Indian) and 17% (African), while for the white British this value drops to around 7.5%. White British are also more likely to have been raised in both-working households as compared to the other groups. Note finally that black populations are also heavily concentrated in single working parent households.

Table 6.4: Origin households of individuals, by gender and ethnicity (row %); population 16-34

	workless	mixed	single-working	both-working	N
Women	9.6	23.1	6.2	61.2	6742
Men	7.6	22.7	6.3	63.4	4863
White*	7.6	21.7	6.3	64.5	8977
Non-white**	19.4	39.1	4.7	36.8	1964
white British	7.5	21.4	6.3	64.8	8751
Indian	9.0	31.8	3.0	56.3	423
Pakistani	28.5	60.9	0.8	9.9	495
Bangladeshi	49.7	43.1	2.3	5.0	400
Caribbean	14.0	22.6	11.9	51.6	229
African	17.1	21.7	11.5	49.7	212
white Caribbean	16.2	19.6	12.5	51.7	177

* Includes: British/English/Scottish/Welsh/Northern Irish, Irish, gypsy or Irish traveller and any other white background
** Includes: Indian, Pakistani, Bangladeshi, Chinese, any other Asian background, Caribbean, African, any other black background and Arab

Table 6.5 shows the percentage of employed individuals (vs. unemployed/inactive) by household of origin for both genders and the various ethnic groups. Note that students are excluded from this table. This illustrates some very interesting differences between men and women and between different ethnic groups as regards the role of origin households on youth labour market outcomes.

First of all, the differences between men and women increase as we move from work-rich to work-poor households of origin. The difference in the employment probability between men and women is around 6% points for those raised in work-rich households; but, the gap between the sexes increases to around 20% points for those coming from homes where their parents are not working.

Household effects vary quite starkly by ethnic groups. For those coming from workless households overall non-whites have a higher likelihood of being employed compared to whites. The opposite is observed (although to a lesser extent) when considering those raised in work-rich households.

Looking in more detail at ethnic groups, some remarkable findings are that Indian and Bangladeshi have particularly high employment levels if raised in work-poor households (70% and 79% respectively). Caribbean and white Caribbean populations have relatively lower employment levels if they come from work-poor households, and even for those raised in single- and both-working households their employment levels are notably lower than other ethnic groups in the UK.

Table 6.5: Employed individuals (vs. unemployed/inactive), by origin household, gender and ethnicity (row %); population 16-34

	work-poor	mixed	single-working	both-working	Total	N
Women	41.6	64.7	62.0	80.3	71.8	4752
Men	60.1	75.3	71.6	86.3	80.8	3701
White*	49.2	70.8	67.6	83.7	77.2	6949
Non-white*	57.6	65.0	67.1	80.5	69.2	1247
white British	48.9	70.9	67.6	83.7	77.2	6787
Indian	69.2	67.1	(74.3)	84.9	77.1	267
Pakistani	41.4	60.4	(43.5)	84.3	57.3	329
Bangladeshi	78.6	65.5	(100.0)	(84.5)	73.3	270
Caribbean	44.5	66.2	51.6	62.5	59.4	152
African	49.0	57.4	72.5	77.7	69.1	100
white Caribbean	16.6	60.5	39.0	73.4	55.8	118

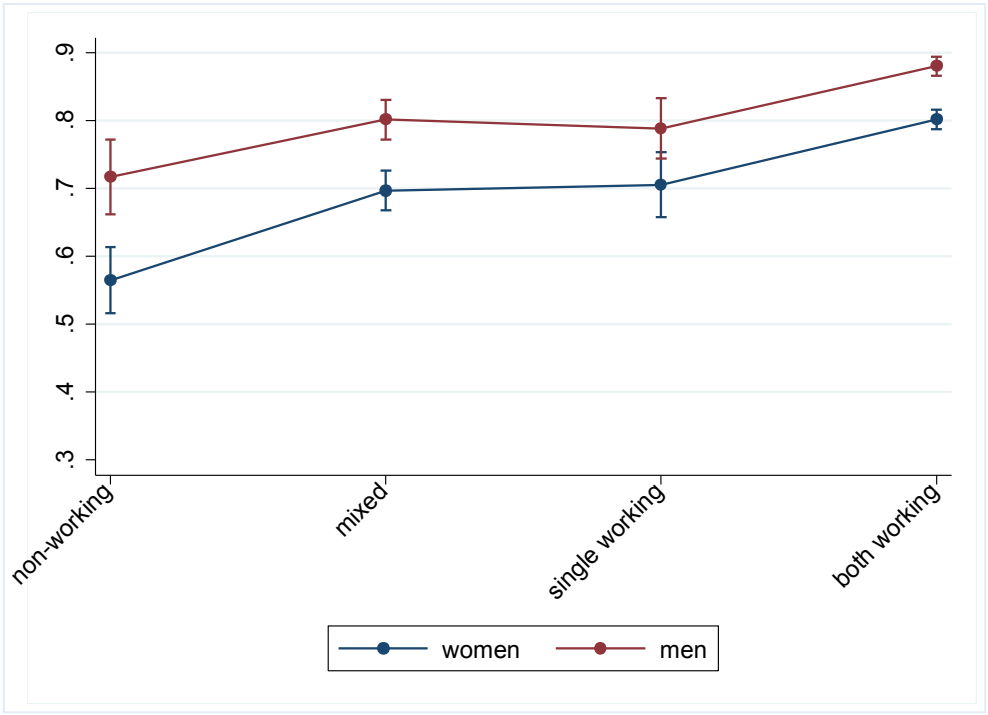
* See Table 6.4
Note: values in parentheses mean that there are very few cases in the cell.

We have explored these initial gross results by running logistic regression models in which the probability of being in employment (vs. unemployed/inactive) is estimated as a function of origin household, gender, age, ethnic group and education. In these models we interact origin household with the key variables of interest, gender and ethnicity, so as to evaluate whether the origin household exerts a different effect on the different gender and ethnic categories. The results (not shown) indicate that although in substantive terms women are still more disadvantaged if raised in work-poor households, the interaction term is not statistically significant, pointing to the fact that the effect of origin household, after controlling for background characteristics, is similar for both genders. The same non-statistically significant results are found when studying whites vs. non-whites and when comparing most of ethnic minority groups with the white British.

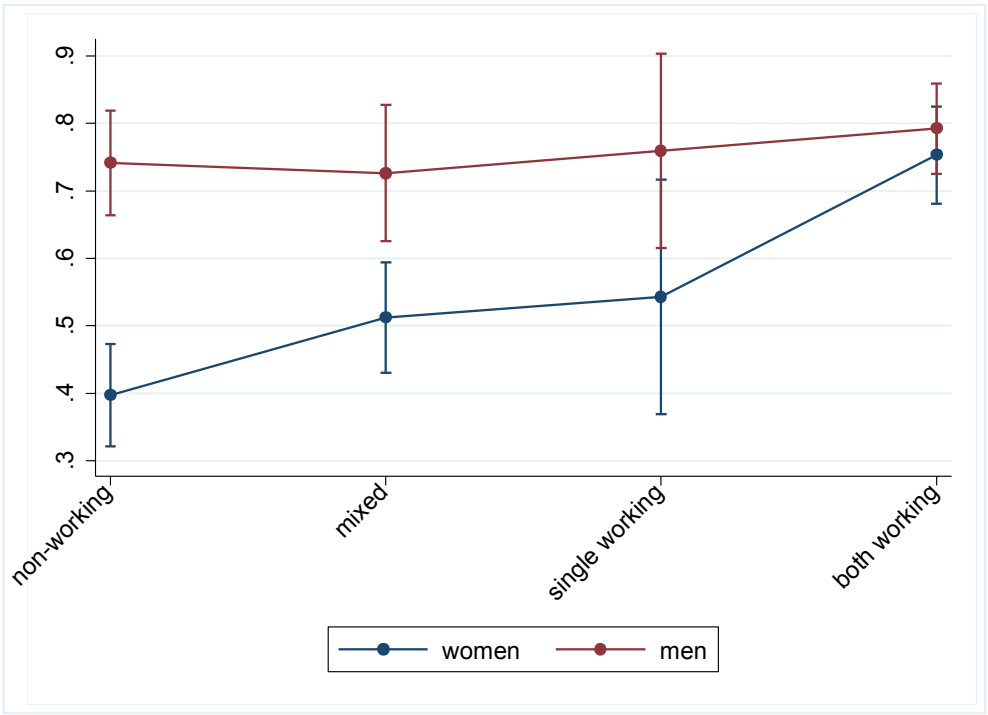
More interesting results, however, arise as we combine the results of ethnicity and those of gender. Figure 6.3 shows predicted values based on the results of two models in which we estimate the probability of employment separately for whites and non-whites, and in which the effect of origin household is allowed to vary by gender. Here we observe very clearly that while among the white British the effect of origin households seems to be the same for men and women (which does not disregard the fact that women are disadvantaged no matter what their origin household is), among non-whites there is a different picture: we observe a considerable gender gap among those raised in work-poor and mixed households, but none among those raised in both-working households. Of course, there is ethnic variation that we are not considering in these models: exploring a bit more the data we observe that it is Asian women raised in work-poor households who have the greater disadvantages; on the other hand, the closure of the gap among those raised in working households is observed for Indian and black/mixed populations, but not for Pakistani and Bangladeshi.

Figure 6.3: Access to employment, by origin household and gender: whites and non-whites compared; population 16-34

Whites



Non-whites



Models control for age and education

6.4 Summary conclusions

This chapter has shown that the origin household matters: having been raised in a work-poor family (vs. a family where both parents worked) has a negative impact on labour market outcomes on individuals. In particular, we showed that this negative effect is stronger for **younger cohorts** and for **non-white women**, especially Asian women.

With regard to the age effect, the data showed some indication of a closure of the gap over time, given the great improvement in employment probabilities among older individuals raised in work-poor households. However, even if the gap indeed reduces for older age groups, the fact that the negative effect of having been raised in a work-poor household remains substantive for individuals over 34 might be suggesting the persistence of social inequalities over time.

Concerning the gender/ethnic issues, the negative effect found for Asian women raised in work-poor households (but also in mixed households) might speak of stronger role models in these families, where men are those go to work and women are those who stay at home (see for example Peach 2005) .

7. Conclusions

Changing household structures and patterns of parental employment have an important affect on youth labour market outcomes. The significance of a polarisation between work-poor (workless) and work-rich households has become increasingly evident in a wide body of literature in a number of European countries. This research has emphasised the importance of understanding how the behaviour of other household members affect the job opportunities of those looking for work. However, very little attention has been given to how these household employment structures impact on the working trajectories of younger people in the household from a comparative European perspective both before and after the economic crisis. In addition, we have sought to compare these developments over time for different cohorts of young people, as well as focusing on gender and ethnic differences in the UK context.

Having summarised the main body of knowledge in this field in Chapter 1, we mapped out the key household characteristics for young people (aged 16-24) on the basis of EU-SILC data in **Chapter 2.** This analysis revealed some key features discussed here.

Living at Home

This analysis showed how a large proportion of young people (16-24) continued to live with their parents, but that this varied significantly across Europe (90% in Southern and Eastern Europe vs. 50% in Northern Europe). There were no significant changes during the crisis apart from in Anglo-Saxon countries where the proportion living at home increased from 68% to 78%. For older cohorts of young people (25-34) more than 80% of them lived independently in Anglo-Saxon, Northern and Continental countries, compared to only 50% in the Mediterranean and Eastern countries. It was only in Eastern countries where these proportions living independently fell since the economic crisis.

At home: studying, working and unemployed

In all country-groups, the share of students among young people (16-24) living at home is much larger than among those living independently (generally larger than 50%, if they live with their parents; between 10% and 30% if they live independently). If we exclude students, employment rates for those living in the family of origin are larger than for those who live independently (except in Nordic countries). Unemployment rates are also higher for young individuals living with their parental family, and this also happens in Nordic countries.

Higher unemployment risk if living in work-poor households (but not always & not to the same extent).

Before the crisis, young people living in work-poor households had a higher unemployment risk compared to those living with one working parent in all country groups (with much smaller effects in Mediterranean countries). Those living with one working parent had a higher unemployment risk than those living in work-rich households in Anglo-Saxon, Mediterranean and Eastern countries.

The crisis worsened the situation for young people living in traditional breadwinner households in Nordic and Continental countries (relatively to other household types), and for those living in work-poor households in Anglo-Saxon countries. As a result, the relative disadvantage of individuals living in work-poor households reduced in Nordic, Mediterranean and Eastern countries, whereas it

increased in Anglo-Saxon countries (compared to those living in one-earner household), and in Continental countries (compared with those living in work-rich households).

Parental effects vary between countries

Employment trajectories were not only because of differences in individual (observable) characteristics. Ceteris paribus, young people living in households where either the father or the mother works, generally have a higher probability of being in employment and a lower probability of being unemployment/inactivity.

We found an diminishing role of the father's employment status in Nordic and Anglo-Saxon countries, while it had an increasing effect in Mediterranean and Continental countries. In particular, living with a working father reduced the probability of being unemployed and inactive in all country groups in 2005. Six years later, paternal employment played a significant role only in Continental and Mediterranean countries.

Maternal employment had an additional, and often larger, effect than that of the father in Mediterranean and Anglo-Saxon countries.

Not the same effect of parental employment for sons and daughters.

Considering sons and daughters separately, the working condition of both parents appears relevant in reducing the probability of unemployment for both males and females in Mediterranean and Continental countries. In Anglo-Saxon and Nordic countries, fathers' employment reduced their sons' unemployment risk, but not their daughters' risk in 2005. In Nordic countries, maternal employment reduced daughters' unemployment risk, but not their sons' risk. These effects disappeared in both Anglo-Saxon and Nordic countries in 2011. However, in Anglo-Saxon countries in 2011 both paternal and maternal employment affects increased significantly the probability of being employed for their sons (reducing that of being in education). The working condition of mothers had a similar effect for females in Anglo-Saxon countries and for males in Nordic countries.

Employment of other household members increases the probability of employment and reduces that of being in education, but has no effect on the unemployment probability.

If other members of the household are employed, young people are more likely to be employed and less likely to be in education. The marginal effect of living with another employed individual on these probabilities is larger than the marginal effect of living with either a working mother or a working father. These results confirm the importance of considering the employment conditions of all family members because all family components, and not only the parents, contribute to create a labour market network that may be successful in helping young people to find a job. However, the negative effect on the likelihood to be in education raises some concerns, and deserves further investigation.

We also examined the longer-term legacies of parental employment status during adolescence for the labour market outcomes of young people aged 25-34 using EU-SILC data from 2005 and 2011 in **Chapter 3.**

Growing-up in a work-poor households increases the probability of unemployment later in life, especially in Nordic and Anglo-Saxon countries.

Unconditional probabilities of unemployment and inactivity are always higher for individuals aged 25-34 who grew up in work-poor households compared to those who grew up in work-rich households. However, this does not always happen when we compare individuals who grew up in work-poor households and in one-earner breadwinner households, or when we compare the latter with individuals who grew up in work-rich households.

The disadvantage for young people growing up in work-poor families appears particularly large in Nordic and Anglo-Saxon countries, while it appears quite small in Mediterranean countries; but we also know that there are smaller proportion of work-poor households in the Nordic countries. The probability of inactivity, instead, always increases when we move from individuals who grew up in work-poor households, to those who grew up in one-earner families, and from these to those who grew up in work-rich households.

Increasing intergenerational effects in Mediterranean and Anglo-Saxon countries. Reduced inequalities in the unemployment risk associated with the parental occupational structure in Nordic countries.

Our empirical findings provide evidence of an intergenerational persistence of worklessness. In all country groups, having had a working mother increases the probability of being employed and reduces that of being inactive, with particularly large effects on inactivity in the Nordic countries (only in 2005) and in Anglo-Saxon countries. Fathers' working conditions, instead, appear to play a role mainly in Mediterranean and Continental countries. However, while in Mediterranean countries the effect became stronger during the crisis, in Continental countries it vanished. As a result, between 2005 and 2011 inequalities in the unemployment and NEET risk associated with the parental occupational structure reduced in the Nordic countries, remained almost unchanged in Continental countries, and increased in the Anglo-Saxon and Mediterranean countries.

Gender differences remains in the intergenerational persistence of worklessness.

When we distinguish between males and females, we find a positive intergenerational correlation between fathers and sons' employment. However, once we control for mothers' working status, this correlation is small in all country groups and for both cohorts, except for the youngest cohort in Mediterranean countries (where it becomes really notable). We also found, as expected, a negative intergenerational correlation between mothers' employment and their daughters' inactivity in all country groups.

However, we found that this correlation was relatively higher in Nordic countries compared with other country groups for the oldest cohort. Furthermore, it decreased through time in all country groups except in the Mediterranean countries. We also found a positive and significant intergenerational correlation between mothers' and sons' employment in Anglo-Saxon countries for the youngest cohort, and significant correlations between fathers' working condition and their daughters' employment outcomes in Mediterranean countries.

Siblings' employment status is associated with a lower probability of being in education

In Chapter 4 we went on to focus firstly on the role of parents and siblings' working status on young people's (aged 16-34) employment status during the crisis (over the period 2008-2011) from a longitudinal perspective. The analyses suggested that young people living in workless households suffer from a much lower probability of being in education, i.e. they experience shorter educational careers. Conversely, they display higher probabilities to be active in the labour market: either by being employed or searching for a job (unemployed). The higher necessity of economic resources by the family of origin seems to push young people away from pursuing or completing tertiary education, hampering their long-term employment prospects. Further research should explore whether an earlier employment start leads to being successfully integrated in the labour market, or whether it results in a series of interrupted episodes of work and employment and limited career possibilities.

Siblings' employment status is positively associated with young people being employed

This chapter also focused on the effect of the wider family structure. Drawing on SHARE data it examines the effects of other, non co-resident, siblings working status on young people employment. The analyses reveal that family disadvantages are also reproduced through their non-resident members. It is not the number of siblings per se that hampers or enhances young peoples' employment outcomes, but siblings' own employment status is positively associated with young people chances to be employed in turn.

Housing allowances and welfare benefits reveal significant complexity

Chapter 5 explored the cross-national role of housing allowances and welfare benefits, as mediated by households' work intensity, on young's people employment status. More research is required to assess the role of welfare measures to support youth transitions (housing and unemployment benefits among others) at the individual level, because country level predictors were not significant. The highly segmented character of various provisions (whose entitlement, duration and generosity is very heterogeneous across countries) makes it difficult to assess the effect of aggregate welfare measures. An important issue to address in future research is to understand the extent to which these benefits create barriers or enable access to employment and economic independence. Rather than providing the sort of social capital that families can endorse their members with, these policies might have unintended effects.

The effect of work-poor household is strongest for younger cohorts and Asian women

Chapter 6 looked at age, ethnic and gender differences in the context of the UK. This chapter shows that the negative effect of having been raised in a workless family (vs. a family where both parents worked) is stronger for **younger individuals** and for **non-white women**, especially South Asians. Regarding the age effect, although for older individuals the effect of the family of origin is smaller than for younger individuals, it remains substantive; social inequalities evidenced by the type of household young people grow up in persist over their working lives.

As regards the gender/ethnic issues, the negative effect found for Asian women might speak of stronger traditional role models in these families, where men are those go to work and women are those who stay at home.

Policy implications

The vast array of evidence presented here clearly shows repeatedly the strong negative effects for young people's employment opportunities if they come from a work-poor household.

This calls for policy interventions aimed at breaking the intergenerational transmission of disadvantages, especially in Anglo-Saxon and Mediterranean countries. The tightened labour market conditions for youth over the crisis revealed that policies and institutions in these countries are still far from providing equal opportunities to all young people, and that disadvantaged youth are even more disadvantaged at a time when they need more help. Better employment services for young people, but also policies favouring mothers' employment are needed in order to prevent more difficulties for future generations. From this point of view, it could be useful to examine whether specific policies helped in reducing the intergenerational correlation between mothers and daughters in Nordic countries. These are some of the issues that will be addressed in subsequent tasks in the project.

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Appendix

Employment statuses & family information in SHARE & UKHLS

The analyses in Chapter 4 are based on the second wave of the Survey of Health, Ageing and Retirement in Europe (SHARE) data, fielded in 2006-2007, that samples individuals aged 50 years and older. For the analyses we focussed on all respondents' (or their current spouses') children, either stepchild or biological, whether co-residing or living independently, for whom proxy information was provided by the respondents. Young people (and their siblings) employment status is thus measured as self-perceived by the parents (main survey respondents) in a 9 categories variable that distinguished: full-time employment; part-time employment; self-employed or working for own family business; unemployed; in vocational training/retraining/education; parental leave; in retirement or early retirement; permanent sick or disabled and; looking after home or family.

The analyses were restricted to the second (most recent) wave of SHARE data because wave three contains no information on children's employment status and wave 4 employed a different sampling and identification strategy for the network members for whom employment status and other characteristics were provided, which would have decreased the number of children selected by respondents. Since children were not the sampling unit, no sampling weights were applied.

The analysis in Chapter 6 is based on Wave 1 (2009-2010) of the UKHLS, also known as Understanding Society; in addition, we also used information contained in later waves (2010-2011, 2011-2012 and 2012-2013) when background information was missing from Wave 1. Note that we decided to restrict the analysis to Wave 1 since it is the one with the fewest number of cases with missing parental information (i.e. parental employment status when the respondent was 14 years old): around 6%.

The UKHLS is a panel based on interviews to around 50,000 individuals in 30,000 households on a whole range of questions, and also include retrospective information, which we use to classify the so-called 'origin households'. We have selected UK born individuals plus individuals who arrived before or at age 10. This is to increase the sample mainly, especially among ethnic minorities. By considering non-UK born individuals who arrived at a young age we assume that they have done at part of their studies in the UK and – hence – have been in direct contact with a UK mainstream institution (the educational system) from an early age. This is common practice among migration studies: the UK-born is usually considered as the "second generation", while those who arrived young are usually referred to as the "1.5-generation".

As in the other chapters, the population of interest are individuals between 16 and 34 years old who have a valid economic activity; however, in the first part we also compare with older groups (35-60) so as to put the results in perspective and give additional information on household effects. As regards differences based on ethnicity, we have considered white British, and all (pooled) non-white ethnic minorities; moreover, we have also sought to identify patterns for specific groups: Indian, Pakistani, Bangladeshi, Caribbean, African and white Caribbean (a mixed group). These are the most numerous ethnic minorities and for which the UKHLS has made an oversample (except for white Caribbean).

As in the other chapters, the main independent variable in this chapter is the type of origin household: individuals are classified according to the parental employment status when they were 14 years old;

in addition, single-parent and double-parent households are also (partially) identified. This leads to a 4-category variable:

- Workless origin household: both parents (one parent, in case of single parent households) were out of the labour market when the individual was 14 years old.
- Mixed origin household: only one parent (usually the father) worked when the individual was 14 years old
- Single-working origin household: single parent household where the parent (usually the mother) worked when the individual was 14 years old
- Both-working origin households: both parents worked when the individual was 14 years old.

The key dependent variable is the employment status of the individual. We study the probability of being in employment vs. being out of the labour market (i.e. unemployed, doing housework or being sick/disabled). Other control variables are education, age and the occupational status of the parents. Note that the data is weighed using the following formula: svyset a_psu [pweight = a_indinus_xw], strata (a_strata) singleunit(centered)

A list of the variables used in the analysis is shown in Table APX1.
Table APX1: List of variables

Variable	Origin household (work-rich and work-poor)
Source variables	paju maju
In questionnaire	Thinking back to when you were 14 years old, was your father working at that time? And was your mother working when you were 14?
Categories	Workless: single- and double-parent households, no one is working Mixed: double-parent households, only one working Single-working: single-parent households, working Both-working: double-parent households, both-working
Variable	Age categories
Source variables	age_cr (age corrected)
In questionnaire	Respondent's age on the day of interview. This uses the exact date of birth stored in the restricted study data base. It uses information from earlier and later waves.
Categories	16-19 20-24 25-29 30-35 36-60
Variable	Parental NS-SEC
Source variables	pasoc00 masoc00 (plus recoding to NS-SEC)
In questionnaire	What job was your father/mother doing at that time?
Categories	Large employers and higher managerial and administrative occupations Higher professional occupations Lower managerial, administrative and professional occupations Intermediate occupations Small employers and own account workers

	Lower supervisory and technical occupations Semi-routine occupations Routine occupations Grouped: Service class (1.1, 1.2 and 2) Intermediate (3) Petit bourgeoisie (4) Manual (5, 6 and 7)	
Variable	Education	
Source variables	hiqual_dv	
In questionnaire	Can you tell me the highest educational or school qualification you have obtained?	
Categories	No qualification Other qualification GCSE etc A-level etc Other higher degree Degree	
Variable	Economic activity	
Source variables	jbstat	
In questionnaire	Which of these best describes your current employment situation?	
Categories	Employed (self-employed + in paid employment (full or part-time)) Unemployed Housework (looking after family home) Sick/disabled (long term sick or disabled) Ft student (full time student) Other (on a government training scheme, unpaid worker in family business, working in an apprenticeship, doing something else) Note: We have excluded retired people	
Variable	Ethnicity	
Source variables	racel	
In questionnaire	What is your ethnic group?	
Categories	british/english/scottish/welsh/northern irish irish gypsy or irish traveller any other white background white and black caribbean white and black african white and asian any other mixed background Indian	pakistani bangladeshi chinese any other asian background caribbean african any other black background arab any other ethnic group
Variable	UK-foreign born	
Source variables	ukborn	
In questionnaire	Were you born in the UK, that is in England, Scotland, Wales or Northern Ireland?	

Categories	Foreign-born UK born
Variable	Year of arrival
Source variables	yr2uk4
In questionnaire	In what year did you first come to this country to live, even if you have spent time abroad since?
Categories	Years

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